United Nations S/2001/926

Security Council

Distr.: General
2 October 2001

Original: English

Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo

I. Introduction

1. The present report is submitted pursuant to Security Council resolution 1244 (1999) of 10 June 1999, by which the Council decided to establish the United Nations Interim Administration Mission in Kosovo (UNMIK). In paragraph 20 of that resolution, the Council requested me to report at regular intervals on the implementation of the mandate of UNMIK. The current report covers the activities of UNMIK and developments in Kosovo, Federal Republic of Yugoslavia, since my report of 7 June 2001 (S/2001/565). During this period, the Council was briefed in open session on 26 July and 28 August 2001 (see S/PV.4350 and S/PV.4359, respectively).

2. The primary focus of the activities of UNMIK over the reporting period has been on preparing the Kosovo-wide elections to be held on 17 November 2001, accelerating the transfer of authority at the municipal level, enhancing institutional capacity-building at the central level, and working to create a solid economic basis for the upcoming provisional institutions of self-government. UNMIK continues to view the participation of Kosovo Serbs and other minority communities as critical to the legitimacy of the elections and the Mission's goal of an all-inclusive provisional self-government. In conjunction with enhanced dialogue with the authorities of the Federal Republic of Yugoslavia and with due consideration to concerns raised during the Security Council mission visit in June 2001 (see S/2001/600), UNMIK has continued its efforts to encourage the engagement of the Kosovo Serb community. Besides political preparations, continuous efforts are made towards attaining an acceptable security situation for the members of all communities, as the development of a safe and secure environment is both integral to engaging the Kosovo Serb and other minority communities and an essential complement to the Mission's activities to ensure a smooth transition to provisional self-government.

II. Overview

A. Political situation

3. As preparations intensify for the elections, UNMIK is increasingly drawing on the Interim Administrative Council and the Kosovo Transitional Council to support its efforts in both political and security tracks. Despite the initial reticence of the Democratic Party of Kosovo (PDK) in respect of the Constitutional Framework, all major Kosovo Albanian political forces appear to have lent their support to important political and security initiatives. There has been general support from PDK, the Democratic League of Kosovo (LDK) and the Alliance for the Future of Kosovo (AAK) for regulation 2001/19, on the Executive Branch of the provisional institutions of self-government, and for crucial legislation to combat terrorism and organized crime.

4. A sensitive issue broached in the Interim Administrative Council and the Kosovo Transitional Council was the Framework for Return of Kosovo Serbs. Encouraging the acceptance by the Kosovo Albanian leadership of the principle of return is seen as crucial to securing a similar acceptance throughout Kosovo Albanian society as a whole. The stated preference of the Kosovo Albanian members of the

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Interim Administrative Council was for the return process to start only after the November elections. Notwithstanding their position, those members made a number of public statements acknowledging the role of the Kosovo Serb community in the future of Kosovo, marking a significant departure from the previously sceptical public line held by the main political parties. LDK, PDK and AAK also joined UNMIK in its call for the Kosovo Serb community to register and participate in the November elections, and welcomed the intensification of dialogue between UNMIK and the newly established Federal Republic of Yugoslavia/ Serbia Joint Coordination Committee for Kosovo. However, the Kosovo Albanian members of the Interim Administrative Council disagreed with the promulgation in August 2001 of regulation 2001/17, on the registration of contracts for the sale of real property in specific geographical areas of Kosovo, which is intended to prevent illegitimate transactions of Kosovo Serb real property, because of an avowed fear of a return to artificial measures to privilege the interests of the Kosovo Serb community. Despite this, they did agree that special measures have to be taken to protect the Kosovo Serb community and guarantee its presence in Kosovo.

5. The political engagement of the Kosovo Serb communities is an ongoing challenge for UNMIK, as Kosovo Serb political entities continue to look to Belgrade for sponsorship and direction. The community remains divided, shifting alliances among Kosovo Serb parties tending to mirror wider developments in the Federal Republic of Yugoslavia. As a result, Kosovo Serbs remain reluctant to participate in the administrative structures, owing in part to unclear signals still emanating on this issue from Belgrade. Progress on the incorporation of minority communities in the municipal assemblies and related structures has thus far been mixed, although recent progress was noted, particularly the assumption of seats in the Pristina Municipal Assembly by three appointed Kosovo Serbs.

6. UNMIK has been encouraged by increasing indications from the Federal Republic of Yugoslavia that participation, at least in registration for the elections of 17 November, is perceived as a crucial opportunity to retain links with Kosovo. Notwithstanding attempts by the Federal Republic of Yugoslavia to bring about unity among disparate Kosovo Serb entities and organizations, there continue to be profound divisions among the Kosovo Serb political leadership over participation in the institutions of local self-government, over registration and participation in the elections, and over eventual inclusion in the provisional institutions of self-government. These divisions will not necessarily be reconciled by signals of support from Belgrade or by the growing influence and activity of the Joint Coordination Committee. Broader political objectives often determine how issues, such as the missing, returns, or security conditions, are used either to demonstrate cooperation with UNMIK or, in some cases, to seek to de-legitimize its presence in Kosovo.

B. Security situation

7. My Special Representative remains concerned at continuing instances of ethnically motivated violence against Kosovo minority communities, including an increase in the number of attacks at the beginning of August and the beginning of September. Violence directed towards members of all minority communities takes the form of intimidation, harassment, assault, arson and murder. Parallel to the continuation of this violence is an incremental improvement in the freedom of movement of minority communities, following the full assumption by UNMIK of operational responsibility for the bus lines, hitherto sponsored by the Office of the United Nations High Commissioner for Refugees (UNHCR), which have been transporting up to 30,000 persons per month, and the running of "freedom of movement" trains between key Kosovo communities.

8. The number of incidents involving the use of weapons remains alarming, and a number of Kosovo Serbs and Roma in particular have been hospitalized with injuries caused by hand-grenade attacks. UNMIK and KFOR have continued their efforts to eliminate the number of unauthorized weapons in Kosovo. KFOR has continued a Kosovo-wide operation to seize weapons and seek out those believed to be members of armed groups. Since 31 May 2001, KFOR reports that nearly 1,000 individuals have been detained and processed. Over 1,100 rifles and pistols, close to 1,700 grenades, nearly 1,100 anti-tank weapons and about 170,000 rounds of ammunition have been seized throughout Kosovo. Following the imposition in June 2001 of a robust package of legislation to combat violence, to date 30 people are in detention under the

provisions of regulation 2001/7, on the authorization of possession of weapons in Kosovo.

9. As the Kosovo-wide elections approach, my Special Representative is mindful of the potential for political violence as parties compete for seats in the Assembly and a place in the institutions of provisional self-government. Following a number of apparently politically motivated criminal incidents, including the attempted assassination of an LDK politician in Srbica (Mitrovica region), UNMIK has re-established the Political Violence Task Force to provide a coordinated response to any future attempts of this nature.

10. There continue to be numerous attacks against members of the international security presence, including the use of automatic weapons by Kosovo Albanians against UNMIK police in the Pec region in August. The Kosovo Police Service has also been the target of attacks: an officer was murdered in the line of duty at the beginning of September in the Kamenica area (Gnjilane region), and another came under fire in his private car on 15 September, again in the Gnjilane area. As a result of this rise in violence, UNMIK police have called on community leaders in Kosovo to actively voice their support for the Kosovo Police Service, and to condemn anyone who threatens these police officers.

C. Impact of developments in the former Yugoslav Republic of Macedonia

11. UNMIK has continued to work in concert with KFOR to reduce the influence of members of ethnic Albanian armed groups operating from Kosovo and sever possible ties between radical elements in Kosovo and the so-called National Liberation Army. Since its entry into force on 4 June 2001, more than 1,200 people have been detained and processed under the provisions of regulation 2001/10, on the prohibition of unauthorized border/boundary crossings. Where KFOR has detained individuals and there is sufficient evidence of criminal activity, UNMIK is committed to investigating and prosecuting those cases to the fullest extent of the applicable law. KFOR has continued to supervise the activities of the Kosovo Protection Corps and has reported that there is no evidence that it has been involved in the former Yugoslav Republic of Macedonia. When individual members of the Corps are found to be involved in criminal activities, they are subject to individual disciplinary measures. The resolve of UNMIK in this matter was displayed by its suspension on 6 July 2001 of five senior members of the Corps named in the United States Presidential Executive Order of 27 June 2001. While a number of groups linked to former Kosovo Liberation Army circles and members of the Kosovo Protection Corps openly criticized the UNMIK decision, the major political parties appeared to respect it; PDK and AAK requested a reversal of the decision should no conclusive evidence be found in the investigation being conducted by UNMIK police.

12. The movement of refugees from the former Yugoslav Republic of Macedonia to Kosovo fluctuated according to political and security developments. Out of a total of nearly 82,000 refugees crossing into Kosovo since February 2001, some for the second or third time, nearly 53,000 arrived in June alone. UNHCR estimates that approximately 56,000 have returned, leaving an estimated 26,000, as at 30 September, mainly in the Gnjilane region. UNHCR anticipates that around 26,000 will remain in Kosovo over the winter, owing to the lack of shelter in the former Yugoslav Republic of Macedonia. This situation will necessitate winterization assistance for the remaining refugees and their host families. UNMIK is increasingly concerned about the potential impact on inter-ethnic relations of ethnic Albanian refugees from the former Yugoslav Republic of Macedonia taking up residence in Kosovo. It is feared that refugees in the Gnjilane and Prizren regions, where the majority are interspersed among mixed and minority communities, could affect areas being considered for minority returns. The number of displaced persons in these areas is currently inflated by a movement of around 10,000 internally displaced persons from southern Serbia back to Kosovo, owing to concerns for their personal security, especially in remote villages.

13. In addition to local non-governmental organizations, particularly the Kosovo Red Cross, UNHCR and other agencies have organized reception and transport facilities and programmes for the subsistence of refugees. Cash assistance and shelter repair programmes have been developed by UNHCR in support of the Kosovo families receiving ethnic Albanian refugees. Refugees have received medical care on a par with Kosovo residents and refugee children attend local schools. Water supply and waste collection infrastructure were stretched in rural areas in southern Kosovo, which already have chronic problems

in these sectors, but the United Nations agencies have responded with an upgrade of the infrastructure, which it is hoped will benefit the local population for several years.

14. Although the border between Kosovo and the former Yugoslav Republic of Macedonia was reopened at the beginning of September 2001, its closure for protracted periods has continued to cause concern about the ability of UNMIK to support its operations, including the immediate concern of logistical implications for the shipment of election material. However, experience from the lengthy closure of the border earlier in the year suggests that the overall economic impact of the closure on the civilian economy in Kosovo may now be less than initially feared, as commercial traffic has found alternative points of entry through Albania, Montenegro and Serbia proper, and tax points in place along the administrative boundary line, together with increased use of rail transport, may limit the loss of revenue experienced in March-April 2001.

III. Activities of the Mission

A. The Constitutional Framework and provisional institutions of self-government

15. A major part of the Mission's activities over the reporting period has been implementing regulation 2001/9, on the Constitutional Framework for Provisional Self-Government. Since that regulation was promulgated, there has been substantial progress in preparing for the transfer of authority to the institutions of provisional self-government. On 13 September 2001, following consultations with the Kosovo political leadership, my Special Representative promulgated regulation 2001/19, on the Executive Branch of the provisional institutions of self-government, setting out the functions and competencies of the ministries of the provisional self-government. In line with this, work is under way to streamline the 20 departments of the Joint Interim Administrative Structure into 10 ministries, covering the specific executive functions listed in chapter 5 of the Constitutional Framework. The regulation also defines the functions and responsibilities of the senior civil service of the provisional institutions of self-government and lays out a set of general principles to guide the establishment of the civil service. Key among these is a requirement that the composition of the civil service must generally reflect the participation of Kosovo's various communities in the Assembly, and ensure the provision of services to all of Kosovo's communities in an efficient and equitable manner, with special attention to the needs of vulnerable groups.

B. Developments relating to the Joint Interim Administrative Structure

16. Preparations to ensure that the current joint administrative bodies are ready to be transferred to local responsibility are continuing. Key to the preparations is the rapid "Kosovarization" of the departments, particularly at senior management levels, which is under way. In order to fulfil the civil service requirements contained in regulation 2001/19, a civil service regulation is in preparation that will provide the framework for the development of a professional, merit-based, multi-ethnic Kosovo civil service. A comprehensive training policy is being devised for the civil service as a whole, both at the central and municipal levels. This will cover the areas of the Constitutional Framework, human resource management, public finance and general administration. The UNMIK civil administration will provide oversight for these nascent institutions and ensure that they continue to provide the necessary administration for the people of Kosovo.

17. There has continued to be progress in the delivery of public services provided through the departments of the Joint Interim Administrative Structure. So far, over 977,000 identification cards and 77,500 travel documents have been issued, and over 185,000 vehicles have been registered. A regulation regarding the issue of driver's licenses has been finalized and arrangements for issuance are under way. The Housing and Property Directorate and Claims Commission has registered about 4,000 claims, of which some 1,200 have been notified to parties, and reviewed nearly 400 claims. So far, at least 20 claims have been settled by mediation on the part of the Directorate and more than 25 eviction orders have been issued. Negotiations have also commenced with the authorities of the Federal Republic of Yugoslavia and Serbia for the return of cadastral documents taken into Serbia.

18. Significant progress has been made by the Department of Education. More than 100 new school

buildings have now been constructed and another 150 rehabilitated with financial support from donors. Education reforms are under way relating to teacher training, curriculum and vocational education. The new draft regulation on general and vocational education is almost complete, and a regulation on higher education has been drafted.

19. Significant strides have also been made in the area of health care. A major initiative under the Department of Health and Social Welfare is the family nursing training project supported by the Government of Finland and UNMIK. The six-month training ended in August 2001, and 36 Kosovo Albanian and four Kosovo Serb training nurses graduated from the course, 13 sessions of which were joint training of Kosovo Albanians and Kosovo Serbs. The Kosovo Drug Regulatory Agency completed a Kosovo-wide inspection of pharmacies in Kosovo, issuing licenses to those in compliance with legal requirements and, with the help of KFOR, closing down those not found in compliance.

20. Efforts continue to be made to revitalize the agriculture sector. Capacity-building activities are being undertaken through a World Bank-funded project, including the identification of training needs, irrigation, information and communication, and water management. Additional funding for the Emergency Farm Reconstruction Project was negotiated with the World Bank for a total of US$ 4.1 million, which will allow activities such as the restocking of herds and repair of farm machinery in the municipalities. The availability of high-quality seeds and fertilizers is expected to increase the average yield per hectare of the wheat harvest by about 40 per cent compared to last year. A field structure has been established, as has a border control system for the veterinary and sanitary inspection of imports and exports at five border/boundary crossing points.

21. As part of the United Nations mandate to support institutional mechanisms for the advancement of women, the UNMIK Office of Gender Affairs continued to support and advise the Gender Policy Working Group of the Kosovo Transitional Council, a quasi-parliamentary group comprising key Kosovo women representatives of political parties and civil society. Through this mechanism, UNMIK supports women representatives who are currently not in decision-making positions, to make them part of a crucial process by which legislation and policy are reviewed. The UNMIK Office of Gender Affairs is currently making a special effort to address the issues and concerns of women from minority communities. To this end, a gender and minorities officer is conducting an informal needs assessment through intensive field visits. Preliminary information reveals that, owing to the lack of freedom of movement, women in minority communities have insufficient access to employment, information, education and medical facilities. In addition to identifying policies to address these issues, the Office advises and supports income-generation projects for unemployed women. Two projects, one dealing with access to space for minority women in a market, the other to give both Kosovo Serb and Kosovo Roma women airtime at a radio station, have so far been funded by the United Nations Trust Fund.

22. There were a number of developments to improve Kosovo's civil security and emergency preparedness capability, an area that will remain a reserved power of my Special Representative. An agreement was reached with KFOR regarding support for the process of hand-over by the end of 2001 of the responsibilities of the United Nations Mine Action Coordination Centre to the Department of Civil Security and Emergency Preparedness and the Kosovo Protection Corps (KPC). Since 20 August 2001, about 120 members of the Corps are being trained in basic explosive ordnance disposal activities. Additional equipment, including fire protective clothing, was delivered to the Corps as part of a donation from the European Union. With the delivery of fire-fighting equipment, KPC started to select members for seven teams to form the core of its emergency response capacity. A total of 15 emergency planning officers, recruited by the Department of Civil Security and Emergency Preparedness earlier this year, have received professional training and have been placed in the regions and selected municipalities.

23. In order to maintain discipline within the Corps, the new KPC Inspectorate provides an effective internal means of maintaining consistent training, discipline and operational standards throughout the organization. It does not have any law enforcement role. The new disciplinary code for the Corps was signed by the Commander of KFOR and counter-signed by the KPC Commander on 10 August 2001. The UNMIK/KFOR Joint Security Executive Committee handles some 10 to 20 KPC disciplinary cases each month, the great majority of which are categorized as minor and are low-level infractions of

the code reported by the Corps itself. The most recent high-profile case is the dismissal from the Corps of one of the senior commanders suspended earlier by UNMIK from command of Regional Task Group 2 in Prizren following the United States Presidential Executive Order. The Commander was dismissed on 27 August for breaking the terms of that suspension, and has entered an appeal.

24. Very few members of minority communities occupy positions in the Kosovo Protection Corps, despite the 10 per cent allocated for them. A recent development has been interest in joining the Corps from the Kosovo Serb community in the Gracanica area (Pristina region). Negotiations are under way with this group, with a view to forming a small KPC unit of Kosovo Serbs within Regional Task Group 5.

C. Transfer of responsibilities to municipal administration

25. Further efforts are under way to streamline the devolution of authority to municipalities in various sectors in line with regulation 2000/45, on the self-government of municipalities. As at the central level, "Kosovarization" continues apace at the municipal level, particularly in the areas already devolved to local competency, such as primary health care and education. Budgetary and finance functions are being progressively handed over to municipalities in both these areas. In the primary health-care sector, a service agreement between each municipality and the Department of Health envisages a gradual transfer of authority, with full implementation in 2002. In order to increase municipal revenue, a programme has been put in place for municipalities to impose property tax. To implement this, and to develop the capacity of municipalities, a pilot programme is being run in several municipalities that will continue until 2002, paving the way for a final version of the tax to be introduced thereafter. The introduction of modern financial management, including a uniform basic accounting and reporting system, is a prerequisite for any real transfer of financial power to the elected representatives and the Kosovo civil service in the municipalities. A one-year training programme in accounting and financial management has been established so that UNMIK will be able to transfer financial power before the next local elections, in October 2002.

26. Capacities are also being built at the municipal level in planning and development management. The local governance project, which is currently operational in the five municipalities of the Prizren region, is helping to build capacity among municipal planners, village leaders and other municipal stakeholders for development planning and management. The aim is for each municipality to have the capacity to prepare a municipal development plan, which will be linked to the Kosovo-wide public investment programme within the framework of the Kosovo consolidated budget. In addition, capacity-building workshops for municipal civil servants and Assembly members have been held in the areas of streamlining municipal administration, municipal budgeting procedures, service development and urban planning. This project has so far trained more than 300 civil servants and Municipal Assembly members.

27. Parallel with this increased transfer of responsibility has come an increased desire for certain municipal assemblies to challenge the authority of UNMIK, particularly over public utilities and socially owned property. A dispute over the appointment of a new director for the municipal waste collection and disposal enterprise in Pristina, for example, has strained relations between UNMIK and local officials of the Pristina municipality. Relations also remain strained within many of the municipal assemblies themselves. There appears to have been no great progress since my last report on the ability of the elected representatives at the municipal level to engage in substantive policy issues in a non-partisan fashion. Training continues on the constructive engagement of all political forces, but it can be expected that this lack of cooperation will continue beyond the Kosovo-wide elections.

D. Preparations for Kosovo-wide elections

28. Preparations for the elections to the Kosovo Assembly, above all the voter registration process, are currently core Mission activities. Voter service and civil registration operations ran from 30 July until 22 September 2001, covering the following four categories: those who chose not to register last year (i.e., the Kosovo Serb community and members of other minority communities); returnees and other new civil registrants since the municipal elections of 2000; registrants from the municipal elections who need to

correct or amend their information, or who need to be reassigned to new, smaller polling stations; and registrants from outside Kosovo. During the reporting period, a total of 75 fixed voter service centres, 24 mobile teams and 14 combined voter service and civil registration sites were operational.

29. On 22 September, when the voter service and civil registration period for the Kosovo-wide election came to a close both in and out of Kosovo, new Kosovo Albanian registrants totalled 23,940, while new minority community registrants (mainly Kosovo Serbs) totalled 69,349. In Serbia proper, 98,380 people registered. In Montenegro, 5,873 people registered. Of the 58,456 mail-in registration applications, 20,089 have been approved so far. The institution-building pillar estimates that over 170,000 new registrants from non-Albanian Kosovo communities had registered. Approximately 150,000 of those were Kosovo Serbs. As the pillar does not ask registrants to note their ethnicity and as some applications are still being reviewed, these numbers may change.

30. A key element in the preparations for Kosovo-wide elections continues to be sustained efforts to encourage the participation of all of Kosovo's communities not only in registration but also in the elections themselves and the ensuing institutions of provisional self-government. To support this effort, the institution-building pillar established a special task group with five mobile teams to reach out to Kosovo Serbs and communities of internally displaced persons currently living in and outside Kosovo to inform them of the electoral system and the ethnic representation in the new Assembly, and to lobby for Kosovo Serb political entities and voters to participate in both registration and the elections. The public information effort has been crucial to the outreach to the Kosovo Serb community. With the assistance of the UNMIK Office in Belgrade, communication links with the main media outlets in that city have facilitated radio and television interviews and stories using UNMIK resources to obtain information these media could not otherwise obtain. Early in September, UNMIK also hosted an inaugural visit of 13 senior Belgrade media representatives on a five-day Kosovo familiarization tour in order to increase the level of information in Serbia proper about the situation in Kosovo of internally displaced persons.

31. To facilitate the registration of Kosovo Serb internally displaced persons in the Federal Republic of Yugoslavia, the institution-building pillar sub-contracted voter registration to the International Organization for Migration in conjunction with the Serbian and Montenegrin Commissariat for Refugees. Although slow to produce results both in and outside Kosovo, a call to register by the President of the Federal Republic of Yugoslavia, Vojislav Kostunica, and the Prime Minister of Serbia, Zoran Djindjic, at the end of August 2001 gave a most welcome momentum to the process, triggering an average daily registration of Kosovo Serbs of 3,000 to 4,000. In view of this increase, my Special Representative decided to extend voter registration by two weeks, until 22 September.

32. The application period for the certification of political entities, including parties, coalitions, citizens' initiatives, and independent candidates for the elections, ran from 22 June to 20 July 2001. In all, 33 political entities applied for certification, including three independent candidates, 27 political parties, two coalitions and one citizens' initiative. Of those, 13 represent one of the communities eligible for the 20 "set-aside" seats in the Assembly: two Kosovo Turkish political entities, three Kosovo Bosniac political entities, three Kosovo Roma, Kosovo Egyptian and Kosovo Ashkali political entities, and five Kosovo Serb political entities (which submitted partial applications). To date, the Central Election Commission has certified 25 political entities and denied certification to two because of fraudulent signatures. Candidate registration was from the end of August until 10 September 2001, with an estimated 12,000 to 14,000 candidates expected to run in the elections.

33. Major efforts were undertaken by the institution-building pillar to have minority community political entities submit their certification applications by the deadline. By 20 July 2001, five Kosovo Serb parties had submitted partial applications for certification. It later transpired that these parties only intended to submit the full certification package if there was an agreement to run a united Democratic Opposition of Serbia (DOS) list. In order to accommodate eventual certification later, the institution-building pillar extended the deadline for coalition certification to 17 September. At its meeting on 24 September, the Central Election Commission certified the Kosovo Serb citizens' initiative "Return" (*Povratak*), which is supported by 21 DOS parties. As a citizens' initiative, the various parties are free to participate or not

participate as they choose. The Democratic Party of Serbia, President Kostunica's party, is not part of the citizens' initiative. A list of candidates for each party or citizens' initiative has to be submitted no later than 1 October.

34. The Central Election Commission continued to build a comprehensive framework for a transparent and credible election process. The electoral rules adopted during the reporting period covered the role of Municipal Election Commissions, the status of observers during the electoral process, the issue of candidate registration, and equitable media access for political entities. The Commission has also determined that one third of candidates in the first two thirds of the list should be women. The institution-building pillar re-established the Political Party Consultative Forum, which had proved to be an effective tool for disseminating election information for the municipal elections of 2000. Discussions have focused on electoral rules considered by the Commission, the certification and registration processes, and specific issues such as gender and geographic requirements for candidates' lists. The institution-building pillar has also provided continued training to political party members, including training for women, ethnic communities and youth. Seminars, including those on the role of the opposition, which have been conducted throughout the regions, have also helped political parties to articulate goals and develop concepts. Parallel to the activities targeting political entities, OSCE continues its educational project, "Voter's voices", to hear voters' concerns about Kosovo-wide issues. The findings will be compiled into a booklet to be published prior to the elections.

E. Engagement of Kosovo communities

35. UNMIK continues to place special emphasis on encouraging minority communities, particularly the Kosovo Serb community, to participate in public life in Kosovo, through both direct engagement and improving contacts with the authorities of the Federal Republic of Yugoslavia. The Mission's aim is to show Kosovo's minority communities that they can derive tangible benefits from engaging in public life. Throughout its efforts, UNMIK has paid particular attention to issues critical to Kosovo Serbs, including those raised by Federal Republic of Yugoslavia/Serb and Kosovo Serb leaders during the Security Council mission visit in June 2001. In addition, UNMIK has attempted to improve the economic situation of the minority communities, and has made efforts to create employment for unskilled minority members through community infrastructure projects. In order to address minority issues and initiatives in a comprehensive manner, the UNMIK civil administration has established a task force on Kosovo minorities.

1. Returns

36. In an effort to fortify the work on the creation of conditions conducive to the return of Kosovo Serb internally displaced persons, the Joint Committee on Returns of Kosovo Serbs, under the chairmanship of my Special Representative, adopted an action plan for the 10 most advanced potential return locations in Kosovo. Representatives of the Federal Committee on Kosovo participated actively in the meeting on the subject and the follow-up work in the UNHCR-chaired Steering Committee and in the regional and local working groups that have "operationalized" the plan since then. The economic reconstruction pillar carried out a preliminary damage assessment in the priority locations, and retains the lead in identifying and mobilizing donor support for return projects related to housing reconstruction. The Department of Non-Resident Affairs of the Joint Interim Administrative Structure went to Serbia proper to meet with representatives of the authorities, as well as with associations of internally displaced persons, non-governmental organizations and international agencies in order to improve the information flow about the current situation in Kosovo. In addition, UNHCR, in close cooperation with UNMIK, KFOR and OSCE, organized "go-and-inform" visits to Serbia proper, which complemented a series of "go-and-see" visits to the potential return locations in Kosovo.

37. The first organized returns have now begun on a small scale, with the voluntary return, assisted by UNHCR, KFOR and UNMIK, on 13 August 2001, of 53 Kosovo Serbs to the Osojane valley (Pec region), one of the 10 sites identified in the action plan. This was followed by the return of 30 more internally displaced persons on 22 August. More returns to Osojane have followed, and a total of 98 individuals, who are mostly heads of more than 60 families, are expected to eventually return there. In addition to Osojane, mixed returns began at the end of August in the Leshtar area near Kamenica (Gnjilane region), so

far including 11 Kosovo Serb and 20 Kosovo Albanian families from Serbia proper. The current series of returns is part of a long-term project to continue into next year. The returns were preceded by substantial preparations and requests for donor assistance, as the related properties and infrastructure had been heavily damaged after the departure of the Kosovo Serb residents in June 1999. UNHCR is providing temporary shelter and basic needs while the returnees reconstruct their houses, aided by funding from the European Agency for Reconstruction and bilateral donors. To facilitate the reintegration of the Kosovo Serb community in Osojane, additional funding will be channelled to nearby Kosovo Albanian and Roma communities.

38. Work has also continued to facilitate the potential return of members of the Kosovo Roma, Ashkali and Egyptian communities. Istok municipality hosted an informative "go-and-see" visit for the benefit of a small group of Kosovo Roma, Ashkali and Egyptian internally displaced persons in Montenegro; the Municipal Assembly of Vucitrn (Mitrovica region) nearly unanimously endorsed a resolution committing municipal support to the return efforts of those communities in June; and a small-scale reconstruction/return project for Ashkali is ongoing in Pristina. Similar initiatives are being pursued in several locations around Kosovo, but progress is uneven, slow and subject to occasional setbacks in what is already a highly complex process of confidence-building. Continuing obstacles, besides housing reconstruction, include the question of occupied properties and security concerns.

2. The missing and detained

39. Progress has been made on the difficult issue of the missing, which remains an emotional and divisive issue that delays the process of inter-communal reconciliation. A major advance in this regard was the establishment on 19 June 2001 of the UNMIK/Federal Republic of Yugoslavia Contact Groups on Missing Persons and Detainees. This came amidst continuing hunger strikes by relatives of missing Kosovo Serbs in Gracanica and a similar protest by Kosovo Serb inmates in the Mitrovica detention centre. The contact groups have since met twice monthly, in both Pristina and Belgrade, yielding the following results: an increase in Kosovo Serb participation in the judicial system in Kosovo and support for the UNMIK recruitment campaign in Serbia proper for judges and prosecutors; the development of mechanisms to coordinate administrative and operational support for defence counsels, witnesses and family members; the assistance of Serbian forensic pathologists in the confirmation of post-mortem results; the production of a consolidated list of missing Kosovo Serbs and other minorities; and the development of protocols for joint verification and forensic teams and for the cross-boundary repatriation of identified remains. The first concrete result of the Contact Group on Missing Persons was the return to Yugoslav authorities by UNMIK on 15 August 2001 of the mortal remains of a Kosovo Serb woman who had been buried in Pristina. Another key development was the signing of a memorandum of understanding between UNMIK and the International Commission for Missing Persons on 24 July to begin the painstaking process of DNA testing to facilitate the Mission's work on the identification of missing persons.

40. Investigations have continued on a number of mass graves in Serbia proper which are believed to contain the remains of Kosovo Albanians who disappeared during the 1999 conflict. UNMIK has been provided with some details on the contents of the graves and on the results of recent post-mortem investigations. As part of the cooperation on the exchange of forensic information and expertise, a Kosovo Albanian forensic pathologist completed an initial visit to the Belgrade Forensic Institute late in July. This was a welcome development at a time when UNMIK is considering how best to encourage the involvement of the Kosovo Albanian community in this process.

41. There was further progress in resolving the problem of Kosovo Albanians detained in Serbia proper. Discussions are ongoing on the possibility of handing over their cases to UNMIK for judicial review. Simultaneously, talks continue with the authorities in Belgrade about Kosovo Serb detainees in Kosovo. With regard to the latter, major concerns such as potential bias, miscarriage of justice and security have been successfully addressed with the promulgation of regulation 2000/64 and other remedies.

3. Education

42. Kosovo Serb education issues were given high priority during the reporting period, leading to a significant improvement in relations with the Kosovo

Serb education community. The main strategy focuses on building a sustainable Kosovo Serb education system, with full recognition of the structures under the Constitutional Framework and maintaining strong ties with educational reforms in Serbia. A delegation headed by the international joint head of the Department of Education visited Belgrade three times to discuss issues relating to Kosovo Serb schools, contracts of Kosovo Serb teachers and curriculum matters. The core curriculum will allow the Kosovo Serb community to retain its special syllabus, for both general and vocational education. The language issue has also come close to a practicable solution: Albanian will be offered as an option in Kosovo Serb schools, but will not be compulsory.

4. Mitrovica

43. In the tension-filled municipality of Mitrovica, where appointed Kosovo Serb representatives in Mitrovica North have yet to take their appointed seats in the Municipal Assembly, Mission activities continued to be seriously impeded by lingering Kosovo Serb parallel structures. At a meeting of the North Atlantic Council on 26 June, at which both my Special Representative and the Commander of KFOR were present, the Council endorsed the joint efforts of UNMIK and KFOR to develop a comprehensive strategy for Mitrovica, building on the principles described to the Security Council during its mission to Kosovo in mid-June. The strategy will entail concrete measures in a number of key areas, namely, local government and public administration; security; economic development and job creation; returns; and general confidence-building measures. An integral part of the strategy will be a cooperative relationship and political dialogue with Belgrade, as well as consultations with the Kosovo Albanian leadership. There has been little progress during the reporting period, owing to the continued existence of the parallel security structures maintained by local Kosovo Serbs, although this is one of the key areas of discussion with the authorities of the Federal Republic of Yugoslavia.

F. Relations with the Federal Republic of Yugoslavia

44. An important step forward in the relations between UNMIK and the authorities of the Federal Republic of Yugoslavia was the appointment on 2 August 2001 of the Deputy Prime Minister of Serbia, Nebojsa Covic, as head of the Federal Republic of Yugoslavia/Serbia Joint Coordination Committee for Kosovo. Since then, my Special Representative and Mr. Covic have held regular meetings to address a host of issues of mutual concern. In all of the discussions, my Special Representative has clearly reiterated the need to implement Security Council resolution 1244 (1999) in all of Kosovo. Options are being examined to open Coordination Committee offices in Pristina, with due consideration for security concerns. As relations with Belgrade have intensified, the establishment and development of the UNMIK Belgrade Office has provided an additional instrument in the Mission's efforts to facilitate and regularize contacts with the authorities of the Federal Republic of Yugoslavia. On 17 September 2001, Mr. Covic briefed the Security Council at a private meeting, at which my Special Representative was present. During Mr. Covic's visit, I held productive discussions with him on matters of mutual concern.

45. While, on a general level, relations with the authorities of the Federal Republic of Yugoslavia were marked by a noticeable improvement, during the early part of the reporting period certain activities challenged the administrative authority of UNMIK under Security Council resolution 1244 (1999). One such activity was the opening by the Federal Committee on Kosovo of an office in Gracanica (Pristina region) without prior consultation with UNMIK. On 7 August 2001, when no response had come from the authorities of the Federal Republic of Yugoslavia to the UNMIK request to close the office, UNMIK special police units, acting on an executive order, reassumed control of the building and sealed the premises. The authorities of the Federal Republic of Yugoslavia expressed concern at the introduction of a 96-hour notification requirement for official visits by representatives of the Federal Republic of Yugoslavia to Kosovo. From the Mission's perspective, such a notification requirement is an essential prerequisite for ensuring the necessary security arrangements for such visits.

G. Developments relating to public information and the media

46. UNMIK has launched an information initiative to educate people inside and outside Kosovo on a broad range of issues, including more intensive efforts to

inform the public about the Mission's work, the introduction of new legislation, the economic situation and political developments. In addition, over 300,000 copies of an explanatory booklet on the Constitutional Framework have been distributed door-to-door throughout Kosovo in the Albanian, Serbian and Turkish languages. To bolster public support for law and order mechanisms in Kosovo, various public information initiatives are being implemented to bring the police service closer to the community. UNMIK is also exploring information multipliers to make the legal system more transparent and trusted by both the general public and international organizations.

47. To instil a sense of accountability and responsibility among Kosovo media, the Temporary Media Commissioner continues to monitor media activities. With 92 Kosovo radio stations, 24 Kosovo television stations and seven daily newspapers, media monitoring, at both the central and local levels, provides systematic evaluation of adherence to the print and broadcast codes. The institution-building pillar and the Temporary Media Commissioner have again recommended the extension of the temporary print code, owing to the lack of any domestically initiated alternative regimes. After extensive consultations with local and international media and legal experts, the regulation establishing the Independent Media Commission as the broadcast regulatory authority in Kosovo was drafted and is ready for review in the Interim Administrative Council.

II. Police and justice

48. A welcome development in the consolidation of police and justice resources was the arrival on 16 August 2001 of a Deputy Special Representative for the new pillar I. During the reporting period, pillar I has made steady progress towards its objectives of consolidating and improving law and order structures, establishing an unbiased judicial system and tackling organized crime. On the legislative front, progress has been made in several important areas. One important development has been the recent signing of three key regulations designed to facilitate the Mission's fight against organized crime, namely, regulations on measures against organized crime, on cooperative witnesses, and on the protection of injured parties and witnesses in criminal proceedings. Work has started to refurbish a witness protection office; a witness protection director has been appointed and has begun the development of a witness protection programme. Progress has also been made on forming the Kosovo Organized Crime Bureau, with the United States of America providing substantial amounts of equipment to enable the Bureau to commence work. A further development during the reporting period was the promulgation on 25 August of regulation 2001/18, on the establishment of a detention review commission for extrajudicial detention based on executive orders. The regulation provides a mechanism for a review of extrajudicial detentions based on executive orders. It also provides additional procedural protection and enhances transparency to ensure that my Special Representative's executive powers are exercised only when justifiable and absolutely necessary.

49. The Department of Justice is continuing its recruitment efforts to increase the number of international judicial personnel. Currently, there are eight international judges and six international prosecutors. An additional four judges and four prosecutors are under recruitment. In August, an international prosecutor was appointed to the Office of the Public Prosecutor. Further appointments are needed as a result of increasing requests for international panels pursuant to UNMIK regulation No. 2000/64 to deal with sensitive cases. There are some 70 such cases currently being handled by international judicial staff, including those of war crimes, genocide, murder, illegal possession of weapons and drug trafficking.

50. As part of the police and justice pillar's efforts to raise the quality of the domestic judicial system, the first disciplinary hearings against local judges and prosecutors, resulting from investigations conducted by the Department of Justice's Judicial Inspection Unit, began in mid-September 2001. The disciplinary hearings were conducted by the Kosovo Judicial and Prosecutorial Council. A large number of complaints against Kosovo Albanian judges have been made by other Kosovo Albanian judges, as well as from private citizens, who have also demonstrated a willingness to testify in cases of judicial corruption. The first hearing was held on 13 September, in which the alleged misconduct of two Kosovo Albanian judges was reviewed. During the hearings, which were open to the public, the Judicial and Prosecutorial Council found that both judges were involved in misconduct, one for being employed by a non-governmental organization while serving as a judge, and the other for accepting

bribes. My Special Representative, on the recommendation of the Judicial and Prosecutorial Council, has formally reprimanded the judge involved in dual employment, and removed from office the judge involved in bribery. Progress has also been made in the selection of judges and prosecutors, establishment of codes of conduct, judicial evaluations and the bar exam. The institution-building pillar has also been instrumental in building domestic judicial capacity, together with pillar I, through the Kosovo Law Centre and the Kosovo Judicial Institute.

51. A more complex prison infrastructure is developing, with five detention centres and two prisons now in operation, housing 664 inmates. In order to address increasing demands on penal management's limited cell space, the Department of Justice is proceeding with the quick build detention facility project, which will provide an additional 200 beds, and the refurbishment of Dubrava Prison, providing an additional 300 beds. Both projects will require 6 to 12 months for completion. Additionally, the construction of a special secure unit at Dubrava Prison is nearing completion to house high risk prisoners of whom there are currently 53. The special secure unit could be fully operational by November if 40 additional international correctional officers are allocated to guard it. The Department of Justice has also begun implementing basic programmes in education and vocational training in Lipljan and Dubrava prisons. Two urgent priorities are the development of a framework for a parole and probation service and addressing the needs of mentally ill inmates by developing psychiatric services.

52. In terms of law enforcement, further efforts continue to build the capacity of, and develop the rank system within, the Kosovo Police Service. Two senior command courses have been completed at the OSCE-run Kosovo Police Service School, training 32 senior commanders. In order to build middle management capacity, a team leadership course began on 14 August 2001; to date, the number of officers trained in supervision and management is 265. Kosovo Police Service officers have also started to be integrated into the Border Police and are scheduled to assume significant responsibility for border police operations by the fourth quarter of 2002.

I. Economic reconstruction and development

53. My Special Representative has made it a priority to hand over a balanced budget to the provisional self-government, and there are solid indications, including the mid-term review, that this will be accomplished. The economic reconstruction pillar has made progress in creating functioning tax collection systems. Since my last report, when many hardline Kosovo Serb leaders were actively opposing the introduction of tax collection in northern Kosovo, the situation has normalized. Approximately 90 per cent of the commercial traders entering through the official gates on the Administrative Boundary Line with Serbia are reporting to tax collection offices in Mitrovica, approaching the compliance levels seen in the rest of Kosovo. Businesses in northern Kosovo are also registering with UNMIK to pay tax. Some 272 Kosovo Serbs applied for the 17 vacancies in the UNMIK customs service in a recent recruitment drive. Through low-profile public information campaigns, UNMIK has been successful in changing attitudes towards tax collection not only in Kosovo Serb areas but also in other areas where tax collection is running smoothly, and revenue is rising. During the week of 20-27 August, UNMIK collected record levels of revenue at tax collection points, amounting to DM 14 million.

54. A new source of revenue is the 15 per cent value added tax (VAT) on most goods and services (but not exports) that was introduced at the beginning of July. It replaced the previous sales tax of the same rate. VAT will permit collection of tax on domestic goods as well as imports and other domestic activities. This new tax encourages transparent accounting and is similar to other systems used in the region, thereby facilitating interregional trade. It is expected that VAT should support the growth of the export sector.

55. In the private sector, efforts have been made to attract investment and foster industry through commercialization projects. The Department of Trade and Industry has now overseen the commercialization of nine companies, leading to increased employment and higher wages for employees. In all, 58 commercialization tenders have been issued thus far, for about half of which bids have been received. As a result of the current tenders, there has been 79 per cent growth in jobs in the affected firms, with multiplier affects on other firms with which they trade. Extra

investment has come into Kosovo as a result of the commercialization process, as evidenced by the fact that nearly DM 83 million of new money has been invested in Kosovo firms.

56. The economic reconstruction pillar has made progress in creating a banking sector, essential to the proper functioning of a commercial economy. The Banking and Payments Authority of Kosovo approved two new branches for the New Bank of Kosovo in Orahovac (Prizren region) and Djakovica (Pec region). On 1 September 2001, the Micro Enterprise Bank opened a branch in the "Confidence Zone" in Mitrovica, employing both Kosovo Serbs and Kosovo Albanians, which is accessible to all communities in the city. Progress has been made in the communications and transportation sectors, which will not only improve the mobility of information and people, but will also facilitate business transactions. As part of a project to upgrade the communications network throughout Kosovo, transmission links have been restored in many municipalities, thus permitting the connection of existing switches with the domestic and international network. A new digital telephone exchange with a capacity of 23,000 lines has been installed in Pristina to replace the 40-year-old exchange. The extension of the mobile network GSM-VALA 900 is continuing, and roaming agreements have been signed with 49 operators covering 31 countries. Such technological advances have created an opportunity for more interaction between the communities, such as through the inter-ethnic internet centre in Kosovo Polje (Pristina region), supported by the Kosovo Transition Initiative programme and implemented on 25 July by the United States Agency for International Development and the International Organization for Migration.

57. Improvements in the transportation and communications infrastructure have also facilitated economic development and interaction between different areas in Kosovo. Largely owing to the limited access to Skopje (a situation which has been exacerbated with the recent border closure and blockage), Pristina airport processed more than 100,000 passengers entering and leaving Kosovo in July and August 2001, vastly improving revenues there. The airport, originally built to handle 250,000 passengers annually, is undergoing expansion and improvement of services. The experimental Pristina-Pec passenger train service, after breaking even, has become permanent. Freight rail traffic between the former Yugoslav Republic of Macedonia and Kosovo has been running with increasing frequency and payload. Following approval by the Universal Postal Union, UNMIK Post will start international registered letter mail service. Domestic express mail service began in Kosovo in mid-September.

58. Over the summer, work has also been ongoing to improve Kosovo's power supply, an issue as much an economic priority as a humanitarian one. Funds have been found to repair the A3 and A4 back-up generation units, before the worst of the winter weather sets in. Meanwhile, the overhaul of the two largest generators, Kosovo B1 and B2, continues. Repair work on both is close to completion; until then, total supply is just over one third of demand. To make up part of the shortfall, electricity has been imported from Montenegro, Albania and Bulgaria, as well as small amounts from Greece and Serbia. Load-shedding (power cuts) of up to 50 per cent were also implemented. The Kosovo Electric Company has signed a contract for approximately 25,000 MWh at a cost of $862,500 for importing electricity from Balkan countries for the interim period.

IV. Observations

59. UNMIK has continued to work intensively on preparations for the Kosovo-wide elections to be held on 17 November, on implementation of the Constitutional Framework for Provisional Self-Government, and on building public administration capacities in order to prepare for the transfer of authority that will bring substantial autonomy to the people of Kosovo as laid down in Security Council resolution 1244 (1999). In particular, capacity-building, strengthening Kosovo's ability to provide security for all and laying the financial groundwork for the provisional self-government to begin economic management with a balanced budget will remain crucial priorities in the run-up to the Kosovo-wide elections.

60. Despite progress in strengthening law and order in Kosovo, continuing inter-ethnic violence and criminal activity remain a major concern. The law enforcement measures adopted by UNMIK, some of which are now providing the legal basis for prosecution and detention, are therefore welcome. Despite some difficulties, the Mission has made significant strides in

strengthening security and law and order through the establishment of the police and justice pillar to improve coordination among increasingly capable international and local judicial and law enforcement elements, construct legislative instruments for more effective anti-terrorism activities, and oversee effective anti-crime and border security operations.

61. This is a defining moment for Kosovo, and I call on all local political leaders and representatives of civil society to ensure that the upcoming election campaign is free of violence. It is imperative that, on the eve of provisional self-government, all Kosovo leaders understand that their responsibilities entail obligations to all the people of Kosovo. While the majority have certain responsibilities towards the minority communities, the latter also have a crucial obligation to participate in the UNMIK-led election process. It is imperative that all communities participate in the elections and the ensuing institutions of provisional self-government if they wish to have a say in the daily running of their affairs. I welcome the special emphasis that UNMIK has given to encouraging minority communities, especially Kosovo Serbs, to participate in public life. I also welcome the appointment of the Deputy Prime Minister of Serbia, Nebojsa Covic, as head of the Federal Republic of Yugoslavia/Serbia Joint Coordination Committee. The authorities of the Federal Republic of Yugoslavia, particularly President Kostunica, are to be commended for their encouragement to the Kosovo Serb community to register, and I am pleased with the significant numbers that have registered. I reiterate the call of my Special Representative on the authorities of the Federal Republic of Yugoslavia also to encourage Kosovo Serbs to vote.

62. The legitimate grievances of all communities are recognized by UNMIK. At the same time, many of the issues sometimes set out as preconditions for cooperation with the international presence are issues that require painstaking efforts and for which there is no quick solution. I endorse the measured approach taken by my Special Representative to confidence-building measures, including returns of displaced communities, and the recognition of the need to search for pragmatic solutions, including those relating to detained Kosovo Albanians. I also welcome progress on the issue of the missing, which is painful to all sides. In this context, I call again on the Kosovo Albanian community to work with UNMIK so that it can assist in determining the fate of the missing.

63. The Mission's commitment to the goals and objectives of creating the conditions for substantial autonomy in fulfilment of Security Council resolution 1244 (1999) has begun to bear substantial results. In addition to the continuing unity of its components, in close cooperation with KFOR, the Mission will require the ongoing support of its activities by the international community, including material support, and above all the continued strong and committed support it has enjoyed from members of the Security Council and from Member States since its inception.

64. In conclusion, I would like to express my gratitude to my Special Representative, Hans Haekkerup, and to the international and local staff of UNMIK, whose tireless efforts and dedication under extremely difficult and demanding conditions have made possible the notable achievements of the last three months.

Annex I

Composition and strength of UNMIK police

(as at 4 September 2001)

Nationality	*Civilian police*	*Special police*
Argentina	22	115
Austria	74	0
Belgium	4	0
Benin	1	0
Bangladesh	107	0
Bulgaria	76	0
Canada	67	0
Cameroon	22	0
Czech Republic	23	0
Denmark	28	0
Egypt	68	0
Estonia	0	0
Fiji	35	0
Finland	21	0
France	77	0
Gambia	0	0
Germany	326	0
Ghana	144	0
Greece	2	0
Hungary	5	0
Iceland	2	0
India	276	238
Italy	57	0
Côte d'Ivoire	1	0
Jordan	216	240
Kenya	7	0
Kyrgyzstan	3	0
Lithuania	9	0
Malaysia	47	0
Malawi	19	0
Nepal	35	0
Niger	3	0
Nigeria	92	0
Norway	27	0
Pakistan	90	114
Philippines	62	0

Nationality	*Civilian police*	*Special police*
Poland	8	115
Portugal	18	0
Romania	70	0
Russian Federation	105	0
Senegal	15	0
Slovenia	15	0
Spain	18	113
Sweden	46	0
Switzerland	8	0
Tunisia	9	0
Turkey	100	0
Ukraine	40	155
United Kingdom of Great Britain and Northern Ireland	136	0
United States of America	590	0
Zambia	14	0
Zimbabwe	60	0
Total	**3 285**	**1 090**

Annex II

Crime statistics

Against persons	*August*	*July*	*June*	*May*
Attempted kidnappings	6	6	4	10
Kidnappings	21	13	11	10
Attempted murders	24	23	18	19
Murders	8	2	15	7
Rapes	24	15	9	10
Intimidations	277	292	262	314
Assaults	441	399	395	366

Against properties	*August*	*July*	*June*	*May*
Robberies	36	38	42	40
Burglaries	325	318	329	379
Criminal damages	170	148	179	156
Thefts	735	632	580	587
Car thefts	126	123	153	141
Frauds	8	3	1	2
Drugs	21	14	15	10
Weapons offences	110	90	71	159
Evictions	0	0	1	0

Annex III

Composition and strength of the military liaison component of the United Nations Interim Administration Mission in Kosovo

(as at 25 September 2001)

Nationality	*Number of liaison officers*
Argentina	1
Austria	2
Bangladesh	1
Belgium	1
Bolivia	1
Bulgaria	1
Canada	1
Chile	1
Czech Republic	1
Denmark	1
Finland	2
Hungary	1
Ireland	3[a]
Italy	1
Jordan	1
Kenya	1
Malawi	1
Malaysia	1
Nepal	1
New Zealand	1
Norway	1
Pakistan	1
Poland	1
Romania	1
Russian Federation	2
Spain	2[b]
Switzerland	1
Ukraine	1
United Kingdom of Great Britain and Northern Ireland	1[c]
United States of America	2
Zambia	1
Total	38

[a] Including two non-commissioned officers.
[b] Including the Chief Military Liaison Officer.
[c] In the office of the Principal Deputy Special Representative of the Secretary-General.

Map No. 4133 Rev. 5 UNITED NATIONS
October 2001

Department of Public Information
Cartographic Section

United Nations S/2001/926/Add.1

Security Council

Distr.: General
4 October 2001

Original: English

Report of the Secretary-General on the United Nations Interim Administration Mission in Kosovo

Addendum

Further to my reports of 16 September 1999, 23 December 1999, 3 March 2000, 6 June 2000, 18 September 2000, 15 December 2000, 13 March 2001 and 2 October 2001 (S/1999/987 and Add.1, S/1999/1250 and Add.1, S/2000/177 and Add.1-3, S/2000/538 and Add.1, S/2000/878 and Add.1, S/2000/1196 and Add.1, S/2001/218 and Add.1 and S/2001/926), the texts of regulations 2001/23 and 2001/24 issued by my Special Representative are attached herewith for the information of the members of the Security Council.

01-56621 (E) 091001

REGULATION NO. 2001/23

ON THE PILOT PROGRAM FOR IMPOSITION OF TAXES ON IMMOVABLE PROPERTY IN KOSOVO

The Special Representative of the Secretary-General,

Pursuant to the authority given to him under United Nations Security Council resolution 1244 (1999) of 10 June 1999,

Taking into account United Nations Interim Administration Mission in Kosovo (UNMIK) Regulation No. 1999/1 of 25 July 1999, as amended, on the Authority of the Interim Administration in Kosovo and UNMIK Regulation No. 1999/16 of 6 November 1999, as amended, on the Establishment of the Central Fiscal Authority of Kosovo and Other Related Matters,

With a view to enhancing the economic development of municipalities in Kosovo through the imposition of municipal taxes on immovable property as a means of support to the municipal budgets,

For the purpose of setting out framework provisions for the implementation of a Pilot Program for the development stage of imposition of taxes on immovable property pending the establishment of comprehensive legislation governing such taxes in Kosovo,

Hereby promulgates the following:

Section 1
Definitions

For the purposes of the present regulation:

(a) "Immovable property" means land and buildings, installations, or structures on or below the surface of the land that are firmly connected to land. Immovable property shall include units within buildings, including, but not limited to, apartments or areas used for commercial activities;

(b) "Market value" means the price at which similar property of comparable characteristics is sold to an unrelated person in an arm's-length transaction;

(c) "Person" means any physical or legal person, public or private, including, but not limited to, personal business enterprises, partnerships and other business organizations, municipal and public authorities;

(d) "Pilot Program" means the development stage of imposition of property taxes by municipalities provided for under the present regulation;

(e) "Property" means immovable property;

(f) "Property tax" means a municipal tax on immovable property;

(g) "Tax rate" means the rate for property taxes levied pursuant to the present regulation;

(h) "Taxpayer" means the owner of the taxable property or, if the owner is not known or cannot be established or effectively located for the purposes of taxation, the user of the taxable property; and

(i) "Taxable property" means immovable property subject to property tax.

Section 2
General Provision

2.1 There shall be a Pilot Program for the development of municipal taxes on immovable property in Kosovo which shall commence on the date the present regulation enters into force and shall continue until 31 December 2002, unless otherwise determined in a subsequent regulation. The Pilot Program shall be carried out under the overall supervision of the Central Fiscal Authority (hereinafter "the CFA").

2.2 The CFA shall be responsible for the process of certification of municipalities for participation in the Pilot Program and their oversight in order to ensure proper administration of taxes on immovable property by the municipalities in accordance with the present regulation.

2.3 The CFA shall issue administrative instructions and provide guidance to the municipalities in connection with the certification of the municipalities for, and the implementation of, the Pilot Program.

Section 3
Criteria for Certification of Municipalities

3.1 In order to be certified for participation in the Pilot Program the municipalities shall:

(a) Identify properties which are to be included in the tax base, list the physical characteristics of such properties, and identify and properly describe properties which are to be excluded from the tax base, in accordance with procedures to be set out by the CFA;

(b) Select criteria to value properties included in the tax base pursuant to valuation methods specified in section 5.2;

(c) Set a tax rate which may differentiate between properties by categories depending on the use and location of the property. Such categories may include, but need not be limited to, agricultural, residential, commercial, and industrial properties, but in any event shall follow the categories established by the CFA;

(d) Establish administrative capacity necessary to carry out property information management, property valuation, billing, collection, administrative appeal, and enforcement functions. These shall *inter alia* include:

(i) Establishing support institutions for record maintenance, property valuation, billing, collection, enforcement, and non-judicial resolution of complaints by taxpayers;

(ii) Establishing a unified system to store and maintain information on immovable property, taxpayers, value of the property, tax rates, and history of tax billings and payments. Hard-copy and digital records containing such information shall be maintained in accordance with procedures to be set out by the CFA;

(iii) Establishing a system of fair and equitable valuation of taxable property; and

(iv) Setting property tax rates.

3.2 Municipalities which have satisfied all the requirements set out in section 3.1 shall be certified by the CFA to participate in the Pilot Program. The certified municipalities shall continue to comply with the certification requirements during the implementation of the Pilot Program.

Section 4
Responsibilities and Authority of Municipalities

Upon receiving certification, a municipality shall in close coordination with the CFA:

(a) Pass a municipal regulation regarding the imposition of property taxes in accordance with the present regulation;

(b) Send tax bills to taxpayers and ensure the collection of taxes; and

(c) Keep all the property taxes so collected for the use in the municipal budget, subject to the CFA rules and procedures relating to the Treasury functions.

Section 5
Tax Rate, Tax Base, Valuation and Sum of Tax Liability

5.1 The tax rate shall be determined by a municipality but shall not exceed two (2) percent of the tax base. The tax rate shall be applied in a non-discriminatory manner.

5.2 The tax base shall be the market value of immovable property. If sufficient market data are not available to establish market value, the market value may be established by reference to income generated by the property, cost of construction, area of the property or the number of rooms or offices.

5.3 In cases where the location of property affects its value significantly, the municipality may establish tax zones reflecting differences in property values. The tax zone in which a property is located may serve as a factor in establishing the property value.

5.4 The sum of tax liability shall be established through multiplying the tax base by the tax rate.

Section 6
Exemptions

6.1 Property owned and/or used by the United Nations or any of its organs including UNMIK, KFOR, international organizations, foreign governments, public authorities, public educational or scientific institutions, and places of public worship shall be exempt from property tax unless such property is used for a purpose that is not directly related to the declared purposes.

6.2 A municipality may establish that below a certain threshold of value, property will be exempt from taxation. The exemption shall be applied in a non-discriminatory manner.

6.3 No exemptions to individual taxpayers will be provided unless:

(a) The municipality establishes equitable and non-discriminatory rules, standards, and procedures for granting exemptions; and

(b) Exemptions are granted for a limited period not exceeding one (1) year in duration.

Section 7
Withdrawal of Certification

The CFA may withdraw certification that has been granted to a municipality if, at any time during the Pilot Program, the municipality fails to conform to the requirements set out in the present regulation and subsidiary instruments issued thereunder, and provided that a notice was served by the CFA to the municipality stating the nature of the failure and the municipality has not cured the failure within ninety (90) days of receiving the notice.

Section 8
Scope

The present regulation shall apply to private property and property of public/socially owned enterprises.

Section 9
Implementation

The Special Representative of the Secretary-General may issue administrative directions for the implementation of the present regulation.

Section 10
Applicable Law

The present regulation shall supersede any provision in the applicable law which is inconsistent with it.

Section 11
Entry into Force

The present regulation shall enter into force on 29 September 2001.

Hans Haekkerup
Special Representative of the Secretary-General

REGULATION NO. 2001/24

AMENDING UNMIK REGULATION NO. 1999/20 ON THE BANKING AND PAYMENTS AUTHORITY OF KOSOVO

The Special Representative of the Secretary-General,

Pursuant to the authority given to him under United Nations Security Council resolution 1244 (1999) of 10 June 1999,

Taking into account United Nations Interim Administration Mission in Kosovo (UNMIK) Regulation No. 1999/1 of 25 July 1999, as amended, on the Authority of the Interim Administration in Kosovo,

Having promulgated UNMIK Regulation No. 1999/20 of 15 November 1999 on the Banking and Payments Authority of Kosovo,

For the purpose of enhancing the authority of the Banking and Payments Authority of Kosovo with respect to the licensing, supervision and regulation of financial institutions in Kosovo,

Hereby amends UNMIK Regulation No. 1999/20.

Consequently, the regulation will have the following wording as of the date on which the present regulation enters into force:

REGULATION NO. 1999/20

ON THE BANKING AND PAYMENTS AUTHORITY OF KOSOVO

The Special Representative of the Secretary-General,

Pursuant to the authority given to him under United Nations Security Council resolution 1244 (1999) of 10 June 1999,

Taking into account United Nations Interim Administration Mission in Kosovo (UNMIK) Regulation No. 1999/1 of 25 July 1999 on the Authority of the Interim Administration in Kosovo,

For the purpose of strengthening the economy in Kosovo by providing for efficient and sound financial institutions and systems by establishing the Banking and Payments Authority of Kosovo,

Hereby promulgates the following:

GENERAL PROVISIONS

Section 1
Status of the Banking and Payments Authority of Kosovo

The Banking and Payments Authority of Kosovo (hereinafter "the BPK") is a distinct public legal entity.

Section 2
Definitions

Wherever used in the present regulation, the following terms shall have the following meanings:

"Bank" means a legal person engaged in the business of accepting deposits in Kosovo and using such funds either in whole or in part to make extensions of credit or investments for the account and at the risk of the person carrying on the business;

"Credit" means any direct or indirect commitment to disburse a sum of money in exchange for a right to repayment of the amount disbursed and outstanding and to payment of interest or other charges on such amount, any extension of the due date of a debt, any debt payment guarantee issued, and any commitment to acquire a right to payment of a sum of money; the term "credit" shall not include bank deposits and the purchase of debt securities in the secondary market;

"Debt security" means any negotiable instrument of indebtedness and any other instrument equivalent to such instrument of indebtedness, whether in certified or in book-entry form;

"Financial institution" means an organization such as a bank, insurance company, insurance intermediary or other person, offering one or more of the following financial services: deposit taking; offering insurance services to policyholders; extending credit; underwriting, dealing in, brokering or distributing securities; acting as an investment company manager or investment adviser; providing other financial services such as equipment leasing finance services, factoring, micro-finance services or foreign exchange; or other financial informational, advisory or transactional services;

"Guidelines" means non-obligatory recommendations or policy statements issued by BPK for the information of financial institutions and other parties concerned with BPK operations;

"Insurance company" means a legal person engaged in the provision of insurance services to policyholders;

"Insurance intermediary" means an insurance agent, sub-agent, or broker, whether or not it is formed as a corporation;

"International accounting standards" means the most recent international accounting standards issued by the International Accounting Standards Committee;

"Order" means an obligatory directive issued by the BPK in implementation of the present regulation;

"Reasonable fees" means fees that defray the direct and indirect costs that BPK incurs in providing the service or services for which the fee is charged; and

"Rule" means an obligatory directive issued by the BPK in implementation of the present regulation to all financial institutions.

Section 3
Capacity of the BPK

3.1 The BPK shall have the capacity to:

(a) Enter into contracts; and

(b) For the purpose of its business, acquire, hold, and dispose of property, whether movable or immovable.

3.2 The BPK may utilise and administer on behalf of the United Nations Interim Administration Mission in Kosovo ("UNMIK") property of the National Bank of Kosovo, headquartered at Marshall Tito Street in Pristina (now known as Mother Teresa Street), and of the Public Payments Service of Kosovo, headquartered at Lenin Street in Pristina.

Section 4
General Powers

4.1 The BPK shall exercise all powers specifically granted by the present regulation and other applicable law and such incidental powers as shall be reasonably necessary to carry out the powers so granted.

4.2 BPK shall enjoy operational and administrative autonomy, except as provided in the present regulation. No person shall seek improperly to influence any BPK Governing Board member or employee in the discharge of his or her duties or to interfere in the activities of the BPK.

Section 5
Principal Objectives

The principal objectives of the BPK are to:

(a) Foster an efficient and safe system for domestic payments; and

(b) Foster the liquidity, solvency and efficient functioning of a stable market-based financial system, including regulating banks, insurance companies and other financial institutions.

Section 6
Specific Powers

The BPK shall have the following specific powers:

(a) To recommend broad policy guidelines to the Special Representative of the Secretary-General in areas under its responsibility, under the guidance of the Deputy Special Representative for Economic Reconstruction and Development;

(b) To formulate and implement measures for, and supervise and regulate, payments and settlement systems for transactions in domestic and foreign currency in Kosovo;

(c) To own and operate one or more payments systems;

(d) To act as banker to the Central Fiscal Authority and to provide financial advice at its request;

(e) To act as fiscal agent of the Central Fiscal Authority;

(f) To hold foreign currency deposits of banks, the Central Fiscal Authority, and other entities;

(g) To ensure an adequate supply of bank notes and coins for the settlement of cash transactions;

(h) To maintain a depository for safe keeping of currency and securities;

(i) To license, supervise and regulate financial institutions;

(j) To supervise and regulate dealers in foreign exchange; and

(k) To conduct regular economic and monetary analysis of the Kosovo economy, make public the results, and submit proposals and measures to the UN Interim Administration in Kosovo on the basis of such analysis.

Section 7
Cooperation with UNMIK, UN Interim Administration in Kosovo

7.1 The BPK shall cooperate with UNMIK, the UN Interim Administration in Kosovo and its entities in pursuing its objectives.

7.2 The BPK shall provide general information as requested from time to time by the Central Fiscal Authority and other entities of the UN Interim Administration in Kosovo with respect to payments, banking and financial matters and they shall provide information to the BPK from time to time as the BPK may request concerning macroeconomic and financial matters.

Section 8
Technical Cooperation

8.1 The BPK may participate in meetings of international councils and organizations concerning technical aspects of payments systems, financial institution supervision and the other matters that are within its fields of competence.

8.2 The BPK may provide banking and payments services for the benefit of foreign governments, foreign banks and foreign monetary authorities and for public international organizations and other international institutions.

Section 9
Public Information

The BPK shall inform the public and the Central Fiscal Authority on a regular and timely basis of its analysis of macroeconomic and financial market developments and on related statistical information.

Section 10
Offices of the BPK

The head office of the BPK shall be in Pristina. The BPK may establish branches, liaison offices, and operations facilities in other locations in Kosovo as appropriate.

Section 11
Accounts

11.1 The BPK may open accounts on its books only on behalf of the Central Fiscal Authority and other entities of the UN Interim Administration in Kosovo, financial institutions lawfully operating in Kosovo, foreign banks, public international financial institutions, and donor organizations. The BPK may not open accounts for natural persons or enterprises.

11.2 All depository account liabilities of the BPK shall have corresponding assets as provided in section 48 below.

FINANCIAL PROVISIONS

Section 12
Capital

12.1 The authorised capital of the BPK shall be 5 million DEM. Thereafter, the capital and the General Reserve accounts shall be equivalent to five percent of the aggregate amount of the credit balances of all accounts maintained on the books of the BPK by account holders shown on the balance sheet of the BPK for the end of each financial year. The capital may be increased by such amounts as may be determined by the BPK and approved by the Special Representative of the Secretary-General. The BPK capital shall not be subject to encumbrance.

12.2 No reduction of capital shall be effected except by promulgation of a regulation by the Special Representative of the Secretary-General.

12.3 Whenever:

(a) On a monthly pro forma balance sheet of the BPK the value of its assets falls below the sum of its liabilities and its unimpaired authorised capital, or

(b) The net profit of the BPK for any financial year is insufficient to increase the capital and General Reserve accounts of the BPK to a level equivalent to five percent of the aggregate amount of the credit balances of all accounts maintained on the books of the BPK by account holders shown on the balance sheet of the BPK for the end of that financial year, the Central Fiscal Authority shall, within one month after publication of that balance sheet, use its best efforts within the available resources to make a capital contribution to the BPK in such amount or amounts as shall be necessary to remedy this deficit.

Section 13
Determination and Allocation of Income

13.1 For each financial year, the net income or the net loss of the BPK shall be calculated in accordance with international accounting standards.

13.2 Net income shall be allocated in each year to a General Reserve account until the capital and General Reserve accounts are equal to five percent of the aggregate amount of the credit balances of all accounts maintained on the books of the BPK by account holders shown on the balance sheet of the BPK for the end of each financial year.

13.3 Any balance of net income shall be transferred to the Central Fiscal Authority as revenue for the budget.

13.4 If there is a net loss, it shall be charged to the General Reserve account or to capital, in that order.

Section 14
Annual Budget

All proposed material expenditures of the BPK shall be reported in an annual budget to be approved by the Governing Board and submitted for information to the Central Fiscal Authority.

ORGANIZATION AND ADMINISTRATION

Section 15
Organization of the BPK

The BPK shall have a Governing Board, a management and a staff.

Section 16
The Governing Board

16.1 The Governing Board shall formulate policies for the operations of the BPK and supervise their implementation.

16.2 The staff of the BPK shall report, not less than ten times each year, to the Governing Board on the conduct of its operations and policies, on the soundness of the financial system, and on the state of the money, capital and foreign exchange markets, including all events and conditions that have or are expected to have a significant effect on the administration or operations of the BPK or on the conduct of its policies or on the financial system or on the before-mentioned markets.

Section 17
Powers of the Governing Board

The Governing Board shall have the following powers:

(a) To determine the policies for the execution of the powers of the BPK described in section 6 and to supervise their implementation by the management and staff;

(b) To adopt all rules, orders and guidelines issued by the BPK;

(c) To approve all reports and recommendations that the BPK makes to the UN Interim Administration in Kosovo;

(d) To make recommendations to the Special Representative of the Secretary-General on the BPK's participation in technical consultations with international organizations;

(e) To adopt the by-laws of the BPK;

(f) To determine the organization of the BPK;

(g) To approve the appointment of the Inspector General of the BPK;

(h) To establish and close branch offices and agencies of the BPK;

(i) To determine the budget of the BPK and the terms and conditions of employment of BPK employees, agents and correspondents;

(j) To determine the accounting policies of the BPK and to approve the periodic reports and financial statements of the BPK;

(k) To decide on the incurring of debt in material amounts by the BPK and the terms and conditions of such debt;

(l) To determine the categories of assets that shall be suitable for investment of the BPK's financial resources;

(m) To approve or deny applications for financial institution licences or registrations and to revoke financial institution licences or registrations; and

(n) To adopt internal structures, policies and procedures for licensing, registering, supervising and regulating financial institutions.

Section 18
Composition of the Governing Board

18.1 The Governing Board shall be composed of seven members appointed by the Special Representative of the Secretary-General: the Chairperson, the Managing Director, the Deputy Managing Director for Financial Institution Supervision and Regulation, the Deputy Managing Director for Payments Systems, and three other persons (two of whom shall be appointed from the UN Interim Administration in Kosovo).

18.2 Governing Board members must be persons of recognized integrity and professional experience in financial and banking matters.

18.3 The term of each member of the Governing Board shall be six years. Members of the Governing Board shall be eligible for reappointment.

Section 19
Compensation of Members of the Governing Board

The members of the Governing Board shall receive compensation from the BPK similar to that received by persons holding executive or non-executive positions with supervisory or managing boards, as the case may be, in large financial institutions in the region.

Section 20
Ineligibility to Serve on the Governing Board

No person shall serve on the Governing Board while he or she is an official or employee of a financial institution operating through offices in Kosovo or is a beneficial owner of five percent or more of an equity interest in a financial institution.

Section 21
Removal of Members of the Governing Board

21.1 Any member of the Governing Board shall be removed from the Board by the Board, or by the Special Representative of the Secretary-General if the Board fails to act, if he or she:

(a) Becomes ineligible to serve on the Governing Board pursuant to section 20;

(b) Has been convicted of an offence which carries a sentence of imprisonment without the option of a fine;

(c) Has been a debtor in a bankruptcy or insolvency proceeding;

(d) Has, on grounds of personal misconduct, been disqualified or suspended by a competent authority from practicing a profession; or

(e) Has been found by a majority of the members of the Governing Board to have engaged in illegal activity or serious misconduct in office.

21.2 In addition to the provisions of section 21.1, any member of the Governing Board may be removed from the Board, by the Board or by the Special Representative of the Secretary-General if the Board fails to act, upon a finding and recommendation by a majority of the members of the Governing Board that the member:

(a) Is unable to perform the functions of such office because of an infirmity of body or mind that has lasted for more than two months; or

(b) Has been absent from three consecutive meetings of the Governing Board without, in the opinion of the Governing Board, justifiable reason.

Section 22
Resignation

Members of the Governing Board may resign by giving not less than one month notice in writing to the Special Representative of the Secretary-General.

Section 23
Vacancy on the Governing Board

Any vacancy on the Governing Board shall be filled by the appointment of a new member of the Governing Board in accordance with section 18.

Section 24
Meetings of the Governing Board

24.1 The meetings of the Governing Board shall be chaired by the Chairperson of the Governing Board or, in his or her absence, by another member of the Governing Board.

24.2 The Governing Board shall meet as often as the business of the BPK may require but not less frequently than once each calendar month.

24.3 Meetings of the Governing Board are convened by the Managing Director; they may also be convened at the written request of any two members of the Governing Board.

24.4 Governing Board meetings shall be convened by communicating the time, venue and agenda of the meeting to all members of the Governing Board at least five working days before the date set for the meeting; in the event of an emergency, meetings may be so convened at shorter notice.

24.5 Each member of the Governing Board shall have one vote. In the event of a tied vote, the Chairperson shall cast a tie-breaking vote.

24.6 A quorum for the conduct of business at any meeting of the Governing Board shall consist of five members of the Governing Board.

24.7 Except as otherwise provided by the present regulation, decisions of the Governing Board shall be adopted by a simple majority of those present and voting; however, the by-laws of the BPK may permit meetings and voting by teleconferencing or, in exceptional circumstances, by tested telex or other tested electronic means of communication.

24.8 Subject to the quorum requirement of section 24.6, no act or proceeding of the Governing Board shall be invalidated merely by reason of the existence of a vacancy or vacancies on the Governing Board.

24.9 All acts done by a person acting in good faith as member of the Governing Board shall be valid notwithstanding that some defect in that person's appointment, eligibility or qualification is afterwards discovered.

Section 25
Proceedings of Governing Board Meetings

25.1 The proceedings of the meetings of the Governing Board shall be confidential. The Governing Board may decide to make the outcome of its deliberations on any matter public and shall publish promptly its decisions on general policy matters.

25.2 Minutes of each Governing Board meeting shall be signed by the Chairperson or the presiding officer and by the Secretary of the Governing Board.

25.3 The Secretary of the Governing Board shall be appointed by the Managing Director from among the senior staff of the BPK to attend all Board meetings and keep all BPK records and execute such other functions as described in the BPK by-laws. The Secretary shall not be a member of the Governing Board.

Section 26
Disclosure by Members of the Governing Board; Fiduciary Duties

26.1 Members of the Governing Board shall periodically disclose to the Governing Board in full their significant financial interests which they or members of their household may

directly or indirectly possess; such disclosures shall comply with guidelines adopted by the Governing Board.

26.2 Whenever any matter related to such interest is before the Governing Board, the member concerned shall disclose his interest at the beginning of the discussion and shall not participate in the discussion and decision on such matter; however, his or her presence shall be counted for the purpose of constituting a quorum.

26.3 Governing Board members and employees of the BPK have a fiduciary duty to the BPK and to the BPK's customers to place the BPK's interests and its customers' interests before their own pecuniary interest.

Section 27
Composition of the Management of the BPK

The management of the BPK shall consist of the Managing Director, the Deputy Managing Director for Financial Institution Supervision and the Deputy Managing Director for Payments Systems.

Section 28
Subsequent Service

Former members of the Governing Board shall not serve in a professional capacity in a financial institution doing business in Kosovo during a period of one year immediately following their departure from the BPK.

Section 29
Management of the BPK

29.1 The Managing Director shall serve as the chief executive officer of the BPK in charge of the day-to-day business of the BPK. If the Managing Director is absent or otherwise unable to act, the Deputy Managing Director of Financial Institution Supervision or, in his absence, the Deputy Managing Director for Payments Systems, shall act as chief executive officer of the BPK.

29.2 The Managing Director shall be responsible to the Governing Board for the execution of its decisions and for the direction and control of the administration and operations of the BPK.

29.3 All powers that are not specifically reserved for the Governing Board shall be vested in the Managing Director. Within the limitations of his powers, the Managing Director shall have the authority to take all actions required or deemed advisable for the administration or operations of the BPK, including without limitation entering into contractual commitments on behalf of the BPK, appointing the employees, agents and correspondents of the BPK, and generally representing the BPK. The Managing Director may, with the approval of the Governing Board, delegate some of his or her powers to other employees of the BPK.

29.4 The Deputy Managing Director for Financial Institution Supervision shall be responsible to the Managing Director. Notwithstanding section 17, the Deputy Managing

Director for Financial Institution Supervision shall have the authority to take enforcement measures, including ordering any financial institution to take remedial actions, appointing a receiver for a financial institution, or imposing penalties provided in this regulation or other applicable laws or regulations on licensing, supervision, and regulation of financial institutions.

29.5 The Deputy Managing Director for Payments Systems shall be responsible to the Managing Director.

Section 30
Inspector General of the BPK

30.1 The Inspector General of the BPK shall be appointed by the Managing Director with the approval of the Governing Board. The Inspector General shall be a person who has qualifications which make him or her eligible to serve on the Board.

30.2 The Inspector General may resign from office on giving not less than two months notice to the Managing Director. The Inspector General shall be removed from office only by a decision of the Special Representative of the Secretary-General or the Governing Board that is supported by one or more of the grounds of removal specified in section 21.

30.3 The duties of the Inspector General shall include:

(a) Evaluating the quality of existing and proposed management and financial control systems;

(b) Testing the operation of those systems and the reliability and integrity of information and transactions generated;

(c) Testing the adequacy of controls for safeguarding the assets of the BPK and, when appropriate, verifying the existence of assets;

(d) Testing compliance with laws, regulations, administrative directions, rules, orders and policies governing the BPK's operations;

(e) Conducting reviews of the effective and efficient use of the BPK's resources and making appropriate recommendations to management; and

(f) Performing special reviews when requested by management and liaising with the auditors of BPK.

Section 31
Staff of the BPK

31.1 Staff of the BPK shall not be employed by any person other than the BPK, unless the Governing Board shall otherwise decide.

31.2 The Governing Board shall adopt the terms and conditions of employment that shall include provisions to preclude conflicts of interest.

Section 32
BPK Employees, Agents and Correspondents

32.1 The Managing Director shall appoint and terminate the appointment of the employees, agents and correspondents of the BPK, within the limits and in accordance with the general terms and conditions of employment adopted by the Governing Board.

32.2 No salary, fee, wage, or other remuneration or allowance paid by the BPK shall be computed by reference to the net income, net profits or other revenues of the BPK.

Section 33
Conflict of Interest

33.1 The Management and Inspector General shall devote the whole of their professional services to the BPK, and shall not occupy any other office or employment, whether remunerated or not, except as nominee of the BPK and for occasional educational and civic endeavors.

33.2 No member of the Governing Board or staff of the BPK shall accept any gift or credit, or on behalf of any person with whom he or she has family, business, or financial connections, if the acceptance thereof would result, or give the appearance of resulting, in a diminishment of impartial devotion to his or her duties to the BPK.

Section 34
Secrecy

34.1 No person who serves or has served as a member of the Governing Board or staff or as an auditor, agent or correspondent of the BPK shall, in a manner unauthorised by the present regulation permit access to, disclose or publicise nonpublic material information which he has obtained in the performance of his BPK duties or use such information, or allow such information to be used, for personal gain.

34.2 Notwithstanding section 34.1, such persons may disclose nonpublic material information outside the BPK, in accordance with procedures established by the BPK, but only if:

(a) In accordance with the express or implied consent of the person about whom the information relates;

(b) In performance of a duty to the public to make disclosure, including to aid law enforcement and on the order of a court or other person of competent authority;

(c) Given to the auditors of the BPK;

(d) Given to financial institution supervisory authorities and staff of public international financial institutions in performance of their official duties; or

(e) The interest of the BPK itself in legal proceedings requires disclosure.

RELATIONS WITH ENTITIES OF THE UN INTERIM ADMINISTRATION IN KOSOVO

Section 35
Banker, Financial Adviser, Fiscal Agent

35.1 The BPK shall act as banker and as adviser to, and as fiscal agent of, the Central Fiscal Authority and other entities of the UN Interim Administration in Kosovo provided, however, that no transaction carried out by the BPK may serve to extend credit to or for the benefit of any public authority or any other physical or legal entity.

35.2 The BPK shall have the duty to render advice to the UN Interim Administration in Kosovo on significant financial matters that relate to BPK objectives or that otherwise are within its fields of competence.

35.3 The BPK shall be consulted by the Central Fiscal Authority on the occasion of the preparation of the budget.

Section 36
Depository and Cashier

The BPK may accept deposits, in any currency, from the UN Interim Administration in Kosovo, the Central Fiscal Authority, and other of its entities. As depository, the BPK shall receive and disburse moneys and keep account thereof and provide other financial services related thereto. The BPK shall pay to the limits of the deposited amounts against payment orders concerning such accounts. The BPK shall pay interest on such deposits at market rates after deduction of reasonable fees.

Section 37
Fiscal Agency Function

The BPK may, on such terms and conditions as it shall agree with the Central Fiscal Authority, act as fiscal agent for the account of the Central Fiscal Authority and such of its agencies and instrumentalities as UN Interim Administration in Kosovo may determine.

Section 38
Information to be Provided to the BPK

The BPK shall receive from the Central Fiscal Authority and other entities of the UN Interim Administration in Kosovo all such financial and economic information and documents as the BPK shall request for the carrying out of its functions.

RELATIONS WITH FINANCIAL INSTITUTIONS AND PAYMENT SYSTEMS FUNCTIONS

Section 39
Payments, Clearing and Settlement Facilities

The BPK may organize, own, operate, supervise and regulate systems for payment orders and for clearance and settlement of interbank payments, in currencies it determines, whether or not legal tender, including payments by check and other payment instruments, and shall establish such procedures and issue such rules and orders relating thereto as it shall deem appropriate.

Section 40
Banks' Accounts on BPK Books

Each bank operating in Kosovo that wishes to participate in a payment, clearing, or settlement system shall open and maintain an account on the books of the BPK, on such terms and conditions as the BPK shall specify, and shall provide promptly as required to the BPK such information concerning its operations and financial condition as the BPK shall prescribe by rule.

Section 41
Information Network

The BPK may establish and maintain an information network for the financial system of Kosovo.

Section 42
Financial Institution Supervision and Regulation

The BPK shall be exclusively responsible for the licensing of financial institutions in Kosovo and for their supervision and regulation and shall be empowered:

(a) To issue such rules, orders and guidelines and to take such other actions, including revoking licences of financial institutions and assuming control of a failed financial institution as it shall deem necessary or advisable, in order to execute its powers and responsibilities under the present regulation and other applicable laws;

(b) To cause an inspection to be made, by any of its officers or by any other qualified person appointed to that effect, of any financial institution and to examine its books, records, documents and accounts for the purpose of ascertaining the condition of its affairs and whether it is in compliance with the present regulation, or any rule or order and other applicable law on licensing and supervision of financial institutions;

(c) To require a director, officer or employee of a financial institution to furnish to the BPK such information as requested for the purpose of enabling the BPK to supervise and regulate financial institutions; and

(d) To cause any financial institution to take remedial actions or to impose penalties provided in the present regulation or any rule or order or other applicable law on licensing and supervision of financial institutions if there has been an infraction by a financial institution or by one or more of its officers or directors with respect to the present regulation or any rule or order or other applicable law or a directive of the BPK pursuant thereto, or the violation of any condition or restriction attached to an authorisation or approval issued to a financial institution by the BPK, or the violation of any rule or order issued by the BPK.

Section 43
Prudential Rules and Orders

43.1 Each financial institution shall comply with the rules and orders of the BPK concerning: its balance sheet accounts, off-balance-sheet commitments, and income and expense statement items with respect to ratios among accounts or items and prohibitions, restrictions or conditions concerning specific types or forms of credit or investments, or of credit or investments that exceed a certain amount or forms of commitments of a risk-bearing nature or matching as to maturity of assets and liabilities and off-balance-sheet items or open foreign currency, swap, option or similar positions or access to the payments system.

43.2 Financial institutions that engage in similar activities and that are in comparable financial condition shall be subject to similar rules and orders.

Section 44
Submission of Information to the BPK

44.1 Financial institutions shall furnish to the BPK such information concerning their operations and financial condition as the BPK may require.

44.2 The BPK may publish such information and data in whole or in part in aggregate form for classes of financial institutions determined in accordance with the nature of their business.

FOREIGN EXCHANGE REGULATION AND OPERATIONS

Section 45
Foreign Exchange Dealers

The BPK shall have the power to:

(a) Issue rules and orders governing foreign exchange transactions of individuals, non-financial enterprises, financial institutions, and agencies and instrumentalities established under the applicable law in Kosovo;

(b) Supervise and regulate foreign exchange dealers, including banks;

(c) Set limits on foreign exchange positions of foreign exchange dealers, including banks; and

(d) Establish the method for determining the value of currencies in relation to other currencies.

Section 46
Reporting of Foreign Exchange Transactions

Licensed foreign exchange dealers, including banks, may be required by the BPK to report periodically to the BPK on their operations, including their open foreign exchange positions, on a currency-by-currency basis; the BPK shall prescribe the reporting forms and supporting documents to be submitted.

Section 47
Dealing in Foreign Exchange

The BPK may:

(a) Buy, sell, or deal in gold coins or bullion or other precious metals;

(b) Buy, sell, or deal in foreign exchange, using for these purposes assets described in section 48; and

(c) Determine the rate at which it will buy, sell or deal in foreign currencies.

Section 48
Foreign Exchange Assets

48.1 The BPK shall hold on its balance sheet and manage assets denominated in foreign exchange consisting of any or all of the following assets:

(a) Gold;

(b) Foreign exchange in the form of notes and coins held within Kosovo or bank balances held abroad in foreign currencies in banks whose short term liabilities are rated in one of the two highest categories by internationally recognized credit rating agencies; and

(c) Debt securities issued or guaranteed by States or central banks of the European Union maturing within 180 days that are denominated and payable in Euros.

48.2 The primary objectives in selecting foreign exchange assets shall be safety of principal and liquidity. Subject to these objectives, such assets shall be selected to maximize earnings.

Section 49
Clearing and Payments Agreements

The BPK may, either for its own account or for the account and by order of the Central Fiscal Authority, enter into clearing and payments agreements or any other contracts for the same purpose with public and private central clearing institutions domiciled abroad.

CURRENCY MANAGEMENT

Section 50
Currency Safekeeping

The BPK shall provide, upon payment of reasonable fees, custodial facilities to financial institutions and the public at large for banknotes and coins in currencies that it determines.

Section 51
Currency Reserve Inventory

The BPK shall administer a currency reserve inventory in such currencies as it deems appropriate for the settlement of domestic and international transactions to ensure the regular supply of currency to meet the requirements of the economy of Kosovo and may charge reasonable fees for this service.

FINANCIAL STATEMENTS, AUDIT, AND REPORTS

Section 52
Financial Year of the BPK

The financial year of the BPK shall begin on the first day of January and end on the last day of December.

Section 53
Accounting Practices

53.1 The BPK shall maintain accounts and records in accordance with international accounting standards to reflect its operations and financial condition.

53.2 The financial statements of the BPK shall include separate accounts for a General Reserve; provisions for bad and doubtful debts; and depreciation in assets.

Section 54
Financial Statements

The BPK shall prepare financial statements for each of its financial years. They shall include a balance sheet, a profit and loss statement, and related statements.

Section 55
Independent Audit of BPK Accounts

The accounts, records, and financial statements of the BPK shall be audited by internationally recognized independent auditors recommended by the Governing Board and approved by the Special Representative of the Secretary-General. The Special Representative of the Secretary-General may dismiss the BPK independent auditors for good cause.

Section 56
Transmittal and Publication of Statements and Reports

56.1 The BPK shall, within four months after the close of each of its financial year, submit to the Special Representative of the Secretary-General:

(a) Financial statements certified by its external auditors;

(b) A report of its operations and affairs during that year; and

(c) A report on the state of the economy.

56.2 The BPK shall prepare, as soon as possible after the last working day of each calendar quarter, but in any event within 15 working days, summary financial statements as of the end of that quarter.

56.3 Upon their completion, the BPK shall publish the financial statements and reports described in sections 56.1 and 56.2; the BPK may publish such other reports and studies on financial and economic matters as it may deem appropriate.

MISCELLANEOUS PROVISIONS

Section 57
Consultations on Regulatory Proposals

The BPK shall be consulted by the UN Interim Administration in Kosovo on any proposals with respect to matters that relate to BPK's objectives or that otherwise are within its fields of competence, before they are finalized.

Section 58
Preferential Right of the BPK

58.1 The BPK shall have an unconditional preferential right to satisfy each of its claims from any cash balances and other assets that it holds for its own account or for the account of the debtor concerned, whether as collateral to secure its claims or otherwise, at the time that such claim becomes due and payable.

58.2 The BPK may exercise its preferential right only by keeping cash balances and by selling other assets against a reasonable price and paying itself from the proceeds of the sale after deducting therefrom the costs associated with the sale. No court action shall be required

for, and no competing claim shall be permitted to delay, the exercise by the BPK of its preferential right in accordance with the provisions of this section, not even claims of ownership or other previously acquired rights, unless there shall be clear and convincing evidence that staff of the BPK knew or should be considered to have known at the time that the assets came into the possession of the BPK that the assets did not belong to the debtor concerned.

Section 59
Prohibited Activities of the BPK

59.1 Except as otherwise specifically authorised by the present regulation or any subsequent regulation or administrative direction, the BPK shall not:

(a) Grant any credit, maintain any deposit, or make any monetary or financial gift;

(b) Engage in commerce, purchase the shares of any corporation or company, including the shares of any financial institution, or otherwise have an ownership interest in any financial, commercial, agricultural, industrial, or other undertaking; or

(c) Acquire by purchase, lease, or otherwise any real rights in or to immovable property, except as it shall consider necessary or expedient for the provision of premises for the conduct of its administration and operations or for the housing of its employees or similar requirements incidental to the performance of its functions under the provisions of the present regulation.

59.2 Notwithstanding any other provision of the present regulation, the BPK may:

(a) Make loans to, or have an ownership share or otherwise participate in, any organization that is engaged in activities that are required for the proper discharge of the BPK's own functions or responsibilities;

(b) Acquire, in the course of satisfaction of debts due to it, any interests or rights referred to in section 59.1(b); provided that all such interests or rights so acquired shall be disposed of at the earliest suitable opportunity; or

(c) Grant credit to any of its employees for such purposes, in such amounts and on such terms and conditions as it may determine; provided, however, that its capital accounts shall be reduced by the amounts of such credit.

Section 60
Collection of Statistical Information

60.1 The BPK shall collect the statistical information required for the achievement of its objectives and the carrying out of its tasks and may engage in technical cooperation to this end with competent authorities from outside Kosovo.

60.2 The BPK shall define the statistical information so required and the form in which such information is to be provided to the BPK, the persons that are to provide such information to the BPK, and the confidentiality regime that shall apply to statistical information provided to the BPK.

60.3 The BPK shall contribute to the harmonisation of rules and practices governing the collection, compilation and distribution of statistics within its fields of competence.

Section 61
Immunity of the BPK from Taxation

The BPK, its assets, property and income, and its operations and transactions, shall be exempt from all income, property, excise and capital gains taxes and duties.

Section 62
BPK Regulatory and Inspection Powers

62.1 The BPK shall be empowered to issue such rules, orders or guidelines to visit such offices of financial institutions, to examine such accounts, books, documents and other records, and to take such other action as the BPK shall deem necessary or advisable to give effect to the provisions of the present regulation.

62.2 All rules, orders and guidelines issued by the BPK that apply to more than one financial institution shall be published and shall take effect on the date of such publication or on such later date as such directive or guideline shall specify. The BPK shall maintain a public register of such rules, orders and guidelines.

62.3 Rules and orders of the BPK shall be final determinations in administrative proceedings.

Section 63
Standards of Good Administration

63.1 The BPK shall use the powers given it under the present regulation equitably and uniformly and in accordance with sound administrative practices. It shall refrain from using any such power to serve an objective for which the power was not given or in excess of what shall be required to achieve the objective for which the power was given.

63.2 The decisions of the BPK taken pursuant to the present regulation shall be impartial and shall be motivated only by objective and rational considerations; they shall be executed with fairness and restraint.

Section 64
Trust Accounts

The BPK shall be authorised to open, and maintain on its books, accounts the assets and liabilities of which shall be segregated from the other assets and liabilities of the BPK. The assets of each such account shall be available only to meet liabilities of that account and no other assets of the BPK shall be available to meet liabilities of such account.

Section 65
Employment Practices

The BPK shall apply non-discriminatory personnel policies to ensure that the composition of the staff of the BPK reflects the multi-ethnic character of the communities of Kosovo.

Section 66
Judicial Review

In any court or arbitration proceeding arising out of or in connection with the present regulation against the BPK or an officer, employee, or agent of the BPK:

(a) The sole question before the court or arbitration court in determining whether the defendant acted unlawfully shall be whether the defendant acted in an arbitrary or capricious manner in light of the facts and the law or rules, orders or guidelines at issue;

(b) An administrator, employee, or agent of the BPK shall not be liable for damages or otherwise liable for acts or omissions performed pursuant to and in the course of the duties and responsibilities unless such acts or omissions constitute intentional wrongful conduct; and

(c) The action in question shall continue without restriction during the period of an appeal and any further appeal or other judicial proceedings related to the appeal.

Section 67
Implementation

The Special Representative of the Secretary-General may issue administrative directions for the implementation of the present regulation.

Section 68
Applicable Law

The present regulation shall supersede any provision in the applicable law which is inconsistent with it.

Section 69
Transitional Provisions

69.1 Notwithstanding sections 11 and 12, until two years from the effective date of the present regulation or such earlier date when the BPK may determine that banks in Kosovo are equipped to provide such services, the BPK may open demand deposit accounts on its books on behalf of natural persons and enterprises, in currencies it determines, whether or not legal tender, receive and disburse moneys and keep account thereof, and provide payments and collection services related thereto. The BPK shall pay to the limits of the deposited amounts against payment orders concerning such accounts. The BPK shall pay no interest on such deposits. Such accounts shall be subject to such further terms and conditions as the BPK shall specify, including the payment of reasonable fees. Such demand deposit accounts shall not be

taken into account for purposes of determining the amount of the capital and the General Reserve accounts in relation to the amount of the credit balances of all accounts maintained on the books of the BPK by account holders shown on the balance sheet of the BPK for the end of each financial year.

69.2 Thirty days from the effective date of the present regulation, no entity may conduct the business of a bank in Kosovo unless it has submitted an application to receive a licence to conduct the business of a bank from the BPK in accordance with the present regulation.

69.3 On the effective date of the present regulation, the authorities that conduct payments transactions and central banking activities in Kosovo shall cease to engage in activities that, in the judgment of the BPK, interfere with the conduct of its functions.

69.4 Compensation received, or the renouncement of such compensation, by members of the Governing Board in relation to their service to the BPK, other than as described in section 19, shall be disclosed in writing to the Special Representative of the Secretary-General.

Section 70
Entry into Force

The present regulation[1] as amended shall enter into force on 1 October 2001.

Hans Haekkerup
Special Representative of the Secretary-General

[1] The original regulation entered into force on 15 November 1999.

United Nations S/2001/927

Security Council

Distr.: General
2 October 2001
English
Original: Arabic

Identical letters dated 30 September 2001 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General and to the President of the Security Council

On instructions from my Government, I have the honour to transmit to you herewith a letter dated 24 September 2001 from Mr. Naji Sabri, Minister for Foreign Affairs of the Republic of Iraq. The Minister calls attention to the ongoing wanton aggression against Iraq by United States and British aircraft in the unlawful no-flight zones and to the fact that in the period from 8 to 18 September 2001 they carried out 160 sorties, 56 of them from Saudi Arabia, 58 from Kuwait and 46 from Turkey, as shown in the statement enclosed with the letter. On 18 September 2001, such aircraft also fired missiles at an Iraqi site in the Basrah area.

The Minister reaffirms the Government of Iraq's condemnation of these acts of aggression against Iraqi territory, and he states that international responsibility for them must be borne by the United States of America, the United Kingdom and the countries that provide the logistic support for this aggression, namely Saudi Arabia, Kuwait and Turkey. He urges you to perform the duties assigned to you under the Charter by halting this unwarranted aggression and ensuring that it does not recur.

I should be grateful if you would have the present letter and its annex circulated as a document of the Security Council.

(*Signed*) Mohammed A. **Al-Douri**
Ambassador
Permanent Representative

01-56098 (E) 021001 021001

Annex to the identical letters dated 30 September 2001 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General and to the President of the Security Council

I should like to inform you that United States and British warplanes based in Saudi Arabia, Kuwait and Turkey have continued to violate the airspace of the Republic of Iraq. They flew 160 armed sorties in the period from 8 to 18 September 2001, 56 of them from Saudi Arabia, 58 from Kuwait and 46 from Turkey, as shown in the statement enclosed herewith. On 18 September 2001, such aircraft also fired missiles at an Iraqi site in the Basrah area.

This aggression illustrates the criminal attitude being maintained by the United States of America and the United Kingdom towards Iraq. Since 1992, it has become a fixed policy aimed at undermining the country's sovereignty, independence and territorial integrity and at the systematic and concerted destruction of Iraqi lives, infrastructure and civilian installations. It is a policy that has been affirmed in successive statements made by United States and British officials.

The fair-minded nations of the world, including the Arab countries, have condemned the maintenance of the no-flight zones as representing an illegitimate use of force against an independent State. Three countries that are permanent members of the Security Council, namely the Russian Federation, China and France, have stressed the fact that the enforcement of the no-flight zones in northern and southern Iraq has no basis in any principle of international law. Mr. Boutros Boutros-Ghali, the former Secretary-General, has stated that the claim made by the United States that Security Council resolution 688 (1991) authorizes the imposition of the no-flight zones is groundless. At his press conference of 27 June 2001, Mr. Kofi A. Annan also said that there was no basis in the resolutions of the Security Council for the imposition of the no-flight zones in northern and southern Iraq. His actual words were (SG/SM/7865):

> "You know my position on this, and I have indicated that when you analyse and read the Security Council resolutions I do not see the Security Council resolutions as a basis for that."

The Government of Iraq categorically rejects the two so-called no-flight zones, which were imposed by unilateral decision of the United States and the United Kingdom and lack any legal basis. Iraq rejects all the flimsy excuses and pretexts stemming from this illegal decision that are used by these States in an attempt to justify their military aggression against our country.

The logistic support made available by the Saudi and Kuwaiti regimes and by Turkey to the United States and the United Kingdom, which includes the provision of air bases, has made them key partners in the aggression being committed against Iraq, so that they bear international responsibility under international law. This includes liability for full compensation for the loss and damage, in both human and material terms, that is caused by these illegal practices.

The Government of Iraq further renews its appeal to the countries participating in this aggression to desist forthwith from internationally prohibited acts that violate Iraq's sovereignty and place its security and integrity in grave danger and that pose a direct and serious threat to international peace and security.

As it condemns these acts of aggression against Iraqi residential areas and civilian and military installations, the Government of Iraq urges you, given that it has been ascertained that there is no basis in the resolutions of the Security Council for the imposition of the no-flight zones, to perform the duties assigned to you as they relate to the maintenance of international peace and security, to call upon the governments of the countries in question to halt, end and desist from any resumption of their ongoing aggression against Iraq — an independent, sovereign State and a founding Member of the United Nations — and to charge the perpetrators of this aggression and the regional parties that have associated themselves with it, namely Kuwait, Saudi Arabia and Turkey, with full legal responsibility for their persistence in this crime.

(*Signed*) Naji **Sabri**
Minister for Foreign Affairs

Enclosure

Violations of the airspace of the Republic of Iraq by United States and British warplanes, 8-18 September 2001

1. In the northern region 46 sorties were flown at speeds of 720 to 780 kilometres per hour and at altitudes of 6,000 to 12,000 metres, as follows:

(a) At 1245 hours on 8 September 2001, United States and British F-14, F-15, F-16, Tornado and EA-6B aircraft coming from a base in Turkey and from Turkish airspace penetrated Iraq's airspace in the northern region. They carried out 18 armed sorties, were supported by an AWACS aircraft operating inside Turkish airspace and overflew the Mosul, Irbil, Dohuk, Tall Afar, Zakho and Sinjar areas. Our air defences, acting in exercise of the legitimate right to defend the homeland, engaged the aircraft and, at 1550 hours, drove them off.

(b) At 1230 hours on 17 September 2001, United States and British F-14, F-15, F-16, Tornado and EA-6B aircraft coming from bases in Turkey and from Turkish airspace penetrated Iraq's airspace in the northern region. They carried out 16 armed sorties, were supported by an AWACS aircraft operating inside Turkish airspace and overflew the Amadiyah, Zakho, Dohuk, Mosul, Ayn Zalah and Irbil areas. Our air defences, acting in exercise of the legitimate right to defend the homeland, engaged the aircraft and, at 1600 hours, drove them off.

(c) At 1220 hours on 18 September 2001, United States and British F-14, F-15, F-16, Tornado and EA-6B aircraft coming from bases in Turkey and from Turkish airspace penetrated Iraq's airspace in the northern region. They carried out 12 armed sorties, were supported by an AWACS aircraft operating inside Turkish airspace and overflew the Baibo, Amadiyah, Aqrah, Dohuk, Rawanduz and Ayn Zalah areas. Our air defences, acting in exercise of the legitimate right to defend the homeland, engaged the aircraft and, at 1530 hours, drove them off.

2. In the southern region 114 armed sorties were flown at speeds of 720 to 780 kilometres per hour and at altitudes of 9,000 to 13,000 metres, as follows:

(a) At 2155 hours on 9 September 2001, United States and British F-14, F-15, F-16, Tornado and EA-6B aircraft coming from bases in Saudi Arabia and Kuwait and from Kuwaiti and Saudi airspace and territorial waters penetrated Iraq's airspace in the southern region. They carried out 28 armed sorties, 10 of them from Saudi territory with the support of an AWACS command and control aircraft operating inside Saudi airspace and 18 from Kuwaiti territory and by way of the demilitarized zone between Iraq and Kuwait with the support of an E-2C command and control aircraft operating inside Kuwaiti airspace. They overflew the Basrah, Jalibah, Nasiriyah, Samawah, Qal'at Sukkar, Hayy, Kut, Nu'maniyah, Shaykh Sa'd, Salman and Ashbajah areas. Our air defences, acting in exercise of the legitimate right to defend the homeland, engaged the aircraft and, at 0125 hours, drove them off.

(b) At 2205 hours on 10 September 2001, United States and British F-14, F-15, F-16, Tornado and EA-6B aircraft coming from bases in Saudi Arabia and Kuwait and from Kuwaiti and Saudi airspace and territorial waters penetrated Iraq's airspace in the southern region. They carried out 22 armed sorties, 14 of them from Saudi territory with the support of an AWACS command and control aircraft operating inside Saudi airspace and eight from Kuwaiti territory and by way of the

demilitarized zone between Iraq and Kuwait with the support of an E-2C command and control aircraft operating inside Kuwaiti airspace. They overflew the Nasiriyah, Samawah, Rifa'i and Hayy areas. Our air defences, acting in exercise of the legitimate right to defend the homeland, engaged the aircraft and, at 2350 hours, drove them off.

(c) At 1202 hours on 11 September 2001, United States and British F-15 and F-18 aircraft coming from bases in Saudi Arabia and Kuwait and from Kuwaiti and Saudi airspace and territorial waters penetrated Iraq's airspace in the southern region. They carried out seven armed sorties, two of them from Saudi territory with the support of an AWACS command and control aircraft operating inside Saudi airspace and five from Kuwaiti territory and by way of the demilitarized zone between Iraq and Kuwait with the support of an E-2C command and control aircraft operating inside Kuwaiti airspace. They overflew the Artawi, Salman, Nasiriyah and Jalibah areas. Our air defences, acting in exercise of the legitimate right to defend the homeland, engaged the aircraft and, at 1350 hours, drove them off.

(d) At 1140 hours on 13 September 2001, United States and British F-14, F-15, F-16, Tornado and EA-6B aircraft coming from bases in Saudi Arabia and Kuwait and from Kuwaiti and Saudi airspace and territorial waters penetrated Iraq's airspace in the southern region. They carried out 15 armed sorties, 14 of them from Saudi territory with the support of an AWACS command and control aircraft operating inside Saudi airspace and one from Kuwaiti territory and by way of the demilitarized zone between Iraq and Kuwait with the support of an E-2C command and control aircraft operating inside Kuwaiti airspace. They overflew the Lasaf, Ashbajah, Busayyah, Salman and Nasiriyah areas. Our air defences, acting in exercise of the legitimate right to defend the homeland, engaged the aircraft and, at 1330 hours, drove them off.

(e) At 1000 hours on 14 September 2001, United States and British F-14, F-15 and F-16 aircraft coming from bases in Saudi Arabia and Kuwait and from Kuwaiti and Saudi airspace and territorial waters penetrated Iraq's airspace in the southern region. They carried out 14 armed sorties, four of them from Saudi territory with the support of an AWACS command and control aircraft operating inside Saudi airspace and 10 from Kuwaiti territory and by way of the demilitarized zone between Iraq and Kuwait with the support of an E-2C command and control aircraft operating inside Kuwaiti airspace. They overflew the Basrah, Artawi, Nasiriyah, Lasaf, Ashbajah and Salman areas. Our air defences, acting in exercise of the legitimate right to defend the homeland, engaged the aircraft and, at 1150 hours, drove them off.

(f) At 1605 hours on 17 September 2001, United States and British F-15 aircraft coming from bases in Saudi Arabia and Kuwait and from Kuwaiti and Saudi airspace and territorial waters penetrated Iraq's airspace in the southern region. They carried out 11 armed sorties, six of them from Saudi territory with the support of an AWACS command and control aircraft operating inside Saudi airspace and five from Kuwaiti territory and by way of the demilitarized zone between Iraq and Kuwait with the support of an E-2C command and control aircraft operating inside Kuwaiti airspace. They overflew the Jalibah, Ashbajah, Lasaf, Salman and Busayyah areas. Our air defences, acting in exercise of the legitimate right to defend the homeland, engaged the aircraft and, at 1715 hours, drove them off.

(g) At 1635 hours on 18 September 2001, United States and British F-14, F-15, F-18, Tornado and EA-6B aircraft coming from bases in Saudi Arabia and Kuwait and from Kuwaiti and Saudi airspace and territorial waters penetrated Iraq's airspace in the southern region. They carried out 17 armed sorties, six of them from Saudi territory with the support of an AWACS command and control aircraft operating inside Saudi airspace and 11 from Kuwaiti territory and by way of the demilitarized zone between Iraq and Kuwait with the support of an E-2C command and control aircraft operating inside Kuwaiti airspace. They overflew the Amghar, Lasaf, Busayyah, Salman, Basrah, Jalibah, Artawi, Shatrah and Rifa'i areas. The United States and British aircraft also fired missiles at an Iraqi site in the Basrah area. Our air defences, acting in exercise of the legitimate right to defend the homeland, engaged the aircraft and, at 1815 hours, drove them off.

United Nations A/ES-10/114–S/2001/928

General Assembly
Security Council

2 October 2001

Original: English

General Assembly
Tenth emergency special session
Agenda item 5
Illegal Israeli actions in Occupied East Jerusalem and the rest of the Occupied Palestinian Territory

Security Council
Fifty-sixth year

Identical letters dated 2 October 2001 from the Permanent Observer Mission of Palestine to the United Nations addressed to the Secretary-General and the President of the Security Council

Last Friday, 28 September 2001, the Palestinian people marked the passage of one year since the infamous visit of Ariel Sharon to Al-Haram Al-Sharif and the beginning of the bloody Israeli military campaign against the Palestinian people, which ignited the second Palestinian intifada. The Palestinian people marked the occasion with three minutes of silence in addition to several demonstrations, which took place throughout the Occupied Palestinian Territory, including Jerusalem. Israeli occupying forces responded with the same pattern of wilful killings and the commission of other crimes, killing a total of 15 Palestinians, including 5 children under the age of 18, over a span of three days, 28 to 30 September 2001. (The names of the martyrs are annexed to the present letter.) These latest killings bring the total number of Palestinians killed by Israeli occupying forces since 28 September 2000 to 661.

In one incident, in the Palestinian village of Attara, Israeli soldiers trapped Palestinian labourers in a taxi and opened fire, indiscriminately resulting in the brutal killing of two and the injuring of others. In another incident, Israeli soldiers shot dead a member of the Palestinian security services in the city of Al-Khalil (Hebron) as he was trying to prevent clashes between Palestinian civilians and Israeli soldiers. Most of the other cases of killings involved Israeli soldiers shooting at demonstrators, some of whom may have been throwing stones, but without any gunfire present in the area.

The above-mentioned killings occurred after the Palestinian decision to declare a ceasefire was announced on 18 September 2001 and as measures were being taken by the Palestinian Authority to ensure the implementation of the agreement reached between the Palestinian and Israeli sides in the meeting which took place between President Yasser Arafat and Foreign Minister Shimon Peres on 26 September 2001. Obviously they represent a clear attempt to destroy the agreement and prevent any potential positive move forward. The Israeli Government of Prime Minister Ariel

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Sharon is fully responsible for the grave consequences of such perilous positions and actions.

I am writing the present letter in follow-up to our previous 69 letters addressed to you regarding this grave and ongoing situation in the Occupied Palestinian Territory, including Jerusalem, dated from 29 September 2000 to 27 September 2001 (A/55/437-S/2000/930; A/55/450-S/2000/957; A/55/466-S/2000/971; A/55/474-S/2000/984; A/55/490-S/2000/993; A/ES-10/39-S/2000/1015; A/ES-10/40-S/2000/1025; A/ES-10/42-S/2000/1068; A/ES-10/43-S/2000/1078; A/ES-10/44-S/2000/1093; A/ES-10/45-S/2000/1104; A/ES-10/46-S/2000/1107; A/ES-10/47-S/2000/1116; A/ES-10/48-S/2000/1129; A/ES-10/49-S/2000/1154; A/ES-10/50-S/2000/1173; A/ES-10/51-S/2000/1185; A/ES-10/52-S/2000/1206; A/ES-10/53-S/2000/1247; A/ES-10/54-S/2001/7; A/ES-10/55-S/2001/33; A/ES-10/56-S/2001/50; A/ES-10/57-S/2001/101; A/ES-10/58-S/2001/131; A/ES-10/59-S/2001/156; A/ES-10/60-S/2001/175; A/ES-10/61-S/2001/189; A/ES-10/71-S/2001/314; A/ES-10/72-S/2001/332; A/ES-10/75-S/2001/352; A/ES-10/76-S/2001/372; A/ES-10/79-S/2001/418; A/ES-10/80-S/2001/432; A/ES-10/81-S/2001/447; A/ES-10/82-S/2001/463; A/ES-10/83-S/2001/471; A/ES-10/84-S/2001/479; A/ES-10/85-S/2001/486; A/ES-10/86-S/2001/496; A/ES-10/87-S/2001/504; A/ES-10/88-S/2001/508; A/ES-10/89-S/2001/544; A/ES-10/90-S/2001/586; A/ES-10/91-S/2001/605; A/ES-10/92-S/2001/629; A/ES-10/93-S/2001/657; A/ES-10/94-S/2001/669; A/ES-10/95-S/2001/686; A/ES-10/96-S/2001/697; A/ES-10/97-S/2001/708; A/ES-10/98-S/2001/717; A/ES-10/99-S/2001/742; A/ES-10/100-S/2001/754; A/ES-10/101-S/2001/783; A/ES-10/102-S/2001/785; A/ES-10/103-S/2001/798; A/ES-10/104-S/2001/812; A/ES-10/105-S/2001/814; A/ES-10/107-S/2001/821; A/ES-10/108-S/2001/826 and A/ES-10/111-S/2001/880 and A/ES-10/112-S/2001/918).

I would be grateful if you would arrange to have the text of the present letter and its annex distributed as a document of the tenth emergency special session of the General Assembly, under agenda item 5, and of the Security Council.

(*Signed*) Nasser **Al-Kidwa**
Ambassador
Permanent Observer of Palestine to the United Nations

Annex to the identical letters dated 2 October 2001 from the Permanent Observer Mission of Palestine to the United Nations addressed to the Secretary-General and the President of the Security Council

Names of martyrs killed by Israeli occupying forces in the Occupied Palestinian Territory, including Jerusalem[a] (Friday, 28 September to Sunday, 30 September 2001)

Friday, 28 September 2001

1. Imam Mohammed Rif'at Al-Shareef
2. Mahmoud Ali Sukkar (16 years old)
3. Mohsen Fahd Arar (17 years old)
4. Mohammed Fathi Ahmed Al-Tarayrah (10 years old)
5. Yasser Ahmed Al-Adhamy
6. Ahmed Atef Mahdi
7. Mohammed Mohammed Zuhed
8. Shady Jad Al-Karim Abu Lafi

Saturday, 29 September 2001

1. Khalil Eissa Fayyad (17 years old)
2. Ahmed Mahmoud Awajah (from wounds sustained on 27 September 2001)
3. Ribhi Mahmoud Al-Bayed
4. Mahmoud Khamis Al-Sawaf (13 years old)

Sunday, 30 September 2001

1. Khalil Al-Sarfandi Abu Al-Abed
2. Hosni Mustafa Abu Aleil
3. Nidal Mohammed Rushdi Al-Fakhoury

[a] Total number of Palestinian martyrs killed by Israeli occupying forces since 28 September 2000 = 661.

United Nations S/2001/929

Security Council

Distr.: General
2 October 2001
English
Original: Arabic

Letter dated 1 October 2001 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General

On instructions from my Government, I have the honour to transmit to you herewith a letter dated 29 September 2001 from Mr. Naji Sabri, Minister for Foreign Affairs of the Republic of Iraq. The Minister calls attention to the continuing acts of piracy, terrorism and armed aggression being committed by United States warships against civilian vessels in the Arabian Gulf and to the fact that the elements involved assault and search crews and passengers on them and sometimes deliberately sink them. The latter happened to the vessel *Georgis* on 5 August 2001 after it had been held up by United States forces for 34 days.

The Minister conveys to you an appeal from the Government of Iraq that you should perform the duties entrusted to you under the Charter of the United Nations so that these outlawed terrorist practices may be ended and the United States of America may be held fully accountable for such acts of piracy. He states that Iraq reserves in full the inalienable right accorded to it by the Charter of the United Nations, the principles of international law and international custom to take whatever measures are necessary and, in accordance with the principle of State responsibility, to seek compensation for the moral and material damage caused by these acts of aggression and terrorism.

I should be grateful if you would have the present letter and its annex circulated as a document of the Security Council.

(*Signed*) Mohammed A. **Al-Douri**
Ambassador
Permanent Representative

01-56127 (E) 031001 031001

Annex to the letter dated 1 October 2001 from the Permanent Representative of Iraq to the United Nations addressed to the Secretary-General

United States warships based in the Arabian Gulf against the wishes of the peoples of the region are persisting in their acts of piracy, terrorism and armed aggression against vessels carrying civilian passengers and merchandise in the Arabian Gulf, searching them and assaulting their crews and passengers and sometimes intentionally sinking them. The latter happened to the vessel *Georgis*, which was detained by United States forces for 34 days with 12 seamen on board and was sunk by them on 5 August 2001.

One of the practices of the United States forces deployed in the Arabian Gulf is to intercept passenger ships operating on the sea route connecting the port of Jabal Ali in the United Arab Emirates and the port of Umm Qasr in the Republic of Iraq. The latest example of this was on 11 September 2001, when a group of 15 United States Navy personnel stormed a passenger vessel, mounted the bridge and forced all the members of the ship's crew to leave the wheelhouse. They forced the engineers to leave the engine room and searched it, photographed it and tampered with its contents. The members of this United States force had the temerity to go through the pockets of the crew members and to remove their papers and personal documents and take them to United States Navy vessels to be photographed.

The actions of the United States forces as they relate to civilian trade in the Arabian Gulf have exceeded all bounds. Despite the many letters addressed to you by the Government of the Republic of Iraq on this matter, the practices of United States naval units are becoming more aggressive and more intimidating. They include physical assault on those working on vessels and going through their pockets and stealing their contents. This constant piracy by the United States is a terrorist act that poses a threat to peace and security in the entire region, and it demonstrates contempt for the most elementary norms that govern conduct under international law.

United States military forces may argue that they find warrant in Security Council resolution 665 (1990) to engage in these acts of piracy, aggression and terrorism. This resolution, however, representing as it does a dangerous precedent in which the Security Council gives unlimited authorization to States "cooperating with the Government of Kuwait" to interfere with civilian trade, is not based on Chapter VII of the Charter of the United Nations and does not therefore make it permissible to use coercive military measures for its enforcement.

The acts of terrorism and aggression committed by the United States military forces that are deployed in the Arabian Gulf for the purpose of imposing the colonialist hegemony of the United States over the peoples of the region and the flagrant violation by these forces of the Charter of the United Nations, the norms of international law and the principles of the freedom of trade make it incumbent upon the United Nations to take the necessary measures to halt these illegal practices, end the acts of terrorism and demonstrations of force against civilian trade in which the United States of America engages in an ongoing manner in the waters of the Arabian Gulf and bring about the departure of United States warships and other forces from the Arabian Gulf region.

The Government of the Republic of Iraq urges you to discharge the responsibilities entrusted to you under the Charter of the United Nations so as to bring an end to these outlawed terrorist practices and so that the United States of America may be held fully accountable for all the damage caused by these acts of maritime piracy. The Republic of Iraq reserves in full the inalienable right accorded to it by the Charter of the United Nations, the principles of international law and international custom to take whatever measures are necessary and, in accordance with the principle of State responsibility, to seek compensation for the moral and material damage it has sustained as a result of these continuing acts of aggression and terrorism.

(*Signed*) Naji **Sabri**
Minister for Foreign Affairs of the Republic of Iraq

United Nations S/2001/930

Security Council

Distr.: General
3 October 2001

Original: English

Letter dated 2 October 2001 from the Chairman of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia addressed to the President of the Security Council

On behalf of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia, I have the honour to transmit herewith a copy of a note verbale dated 26 September 2001 from the Permanent Mission of Bulgaria to the United Nations addressed to myself (see annex).

I would appreciate it if the present letter and its annex were issued as a document of the Security Council.

(*Signed*) Kishore **Mahbubani**
Chairman
Security Council Committee established pursuant
to resolution 1343 (2001) concerning Liberia

01-56322 (E) 031001

Annex

Note verbale dated 26 September 2001 from the Permanent Mission of Bulgaria to the United Nations addressed to the Chairman of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia

The Permanent Mission of the Republic of Bulgaria to the United Nations presents its compliments to the Chairman of the Security Council Committee established pursuant to resolution 1343 (2001) concerning Liberia, and has the honour, in addition to its notes of 25 June 2001 and of 14 August 2001 addressed to the Chairman of the Committee, to communicate the following:

1. Measures to implement the sanctions imposed by paragraphs 5 and 6 of resolution 1343 (2001):

With regard to the embargo on exports of arms and related matériel and the provision of technical training related to the provision, manufacture, maintenance or use of such equipment, the Ministry of Interior of the Republic of Bulgaria has carried out an examination and has confirmed that the necessary actions were taken to implement the measures imposed under paragraph 5 of resolution 1343 (2001). To date, the Ministry of Interior does not have any information concerning persons or companies carrying out foreign trade activities with Liberia in violation of paragraphs 5 and 6 of resolution 1343 (2001).

2. As regards the list dated 4 June 2001 of individuals designated by the Committee as subject to measure imposed by paragraph 7 of resolution 1343 (2001), the Ministry of Interior does not have any information regarding sojourn authorization by the Bulgarian authorities to persons included in the sanctions committee's list.

United Nations S/2001/931

Security Council

Distr.: General
3 October 2001

Original: English

Letter dated 2 October 2001 from the Permanent Representative of Jamaica to the United Nations addressed to the President of the Security Council

Pursuant to the letter from the President of the Security Council dated 14 September 2001, wherein I have bee authorized to continue to work with the President and those who had served on the Security Council Committee established pursuant to resolution 1160 (1998), please find herewith the requested final report covering major activities of the Committee from 1 January to 10 September 2001.

I would be grateful if the report could be circulated as a document of the Security Council.

(*Signed*) M. Patricia **Durrant**
Ambassador
Permanent Representative

01-56309 (E) 031001

Annex to the letter dated 2 October 2001 from the Permanent Representative of Jamaica to the United Nations addressed to the President of the Security Council

Report submitted pursuant to the letter dated 14 September 2001 from the President of the Security Council addressed to the Permanent Representative of Jamaica to the United Nations

1. The present report is submitted to the Security Council in accordance with the above-mentioned letter. The report contains information on the activities of the Security Council Committee established pursuant to resolution 1160 (1998) from 1 January to 10 September 2001, when the Security Council decided by its resolution 1367 (2001) to terminate the established arms embargo.

I. Mandate of the Committee

2. During the period covered by the present report, no modification was made by the Security Council to the mandate of the Committee, as outlined in its resolutions 1160 (1998) and 1199 (1998).

3. Following consultations, the members of the Council agreed to elect Ambassador M. Patricia Durrant (Jamaica) as Chairperson and the delegations of Norway and Tunisia as Vice-Chairmen of the Committee for 2001.

4. During the period under consideration, the Committee held no formal meetings. Nevertheless, the Committee, under the Chairmanship of Ambassador Durrant and with the assistance of the secretariat, continued to fulfil its mandate.

5. On 31 January 2001, the Committee approved, under the no-objection procedure, its annual report for 2000 and submitted it to the Security Council (S/2001/102).

II. Status of the implementation of Security Council resolution 1160 (1998)

6. No reply was received in 2001 concerning the measures that States had been requested to institute in meeting the obligations set out in paragraph 12 of resolution 1160 (1998).

7. In a letter dated 7 February 2001, Bulgaria requested the Committee's approval to export 2,000 tons per month of industrial explosives to several mining companies in the Federal Republic of Yugoslavia. The Committee approved this request under the no-objection procedure. In the approval letter, the Committee also recognized the Bulgarian monitoring agencies' willingness to apply appropriate control measures throughout the export process.

8. The Permanent Observer of Switzerland to the United Nations, in his letter dated 8 March 2001, provided some information concerning an arms shipment to Kosovo, Federal Republic of Yugoslavia, reported by Xinhua News Agency. This case was brought to the attention of the Committee by its secretariat. Switzerland reported that criminal proceeding had been conducted by the authorities in Geneva, and two persons were arrested on 13 July 2000 and charged with a serious offence against the federal law on military equipment. The Permanent Observer further noted that the accused persons would be brought to trial at some time during 2001.

9. The United Kingdom submitted one request for approval dated 18 April 2001 to transfer demining equipment to humanitarian demining organizations working for the United Nations Interim Administration Mission in Kosovo (UNMIK). The Committee approved this request under the no-objection procedure. However, the Committee was not in a position to confirm that a firm/NGO working under contract with UNMIK should be considered to be part of the international presence and therefore should be exempted from the approval procedure established by the Committee.

10. In a letter dated 15 May 2001 from the President of the Security Council to the Secretary-General (S/2001/482), the Security Council decided to send a second mission on the implementation of Security Council resolution 1244 (1999) to Kosovo, with the mandate, inter alia, to review ongoing implementation of the prohibitions imposed by the Security Council in its resolution 1160 (1998).

11. The mission visited Kosovo from 16 to 18 June 2001. The Chairperson discussed with the new Commander, Lieutenant General Thorstein Skiaker, the issues relating to implementation of the arms embargo given KFOR's responsibility for conducting border monitoring duties in accordance with paragraph 9 (g) of Security Council resolution 1244 (1999). She mentioned that although the issue had already been raised in her letter addressed to the Secretary-General on 20 June 2000, following an earlier Council Mission in April 2000, no response from KFOR had been received. She also underscored the continued need for detailed information on weapons seized to be provided to the Committee. In his response, General Skiaker noted that KFOR operations had continued to result in frequent weapons seizures during its border monitoring. Upon further clarification with regard to the requirements of the Committee, he undertook to provide the Committee with the requested information in the future. The Chairperson informed the Secretary-General that the Committee would appreciate if KFOR could be approached formally with a request to regularly provide to the Committee detailed information, including that pertaining to the origin, type and quantity of weapons seized, in order to enable it to pursue any possible violations in contravention of resolution 1160 (1998).

12. In response to the Chairperson's letter, the Secretary-General, in his letter dated 7 August 2001, informed the Secretary-General of the North Atlantic Treaty Organization (NATO) that he would be most grateful in NATO could make the necessary arrangements for KFOR to supply the requested information to the Committee on a regular basis. No such information was provided to the Committee by 10 September 2001, the end of the period covered by the present report.

III. Violations and allegations of violations

13. The Committee received no reports on actual violations or alleged violations of the sanctions measures from States and pertinent regional and international organizations.

14. The Committee, in discharging its mandate, relied primarily on information gathered by the Secretariat from public sources. The Committee sought and received additional information on one case of violations, as referred to in paragraph 8 above, in which there was an indication that violations of the prohibitions established by Security Council resolutions 1160 (1998) and 1199 (1998) might have occurred.

15. Reports on KFOR and SFOR activities contained no information on violations.

16. The Committee expressed its appreciation for the assistance that it had received from the Secretariat.

United Nations A/ES-10/115–S/2001/932

General Assembly
Security Council

Distr.: General
3 October 2001

Original: English

General Assembly
Tenth emergency special session
Agenda item 5
Illegal Israeli actions in Occupied East Jerusalem and the rest of the Occupied Palestinian Territory

Security Council
Fifty-sixth year

Identical letters dated 3 October 2001 from the Permanent Observer Mission of Palestine to the United Nations addressed to the Secretary-General and the President of the Security Council

Pre-dawn yesterday (Palestine time), Israeli tanks and bulldozers moved into an area under Palestinian control near the Palestinian town of Beit Lahia in the northern Gaza Strip. Israeli tanks, supported by helicopter gunships, shelled Palestinian buildings, including seven police posts, killing five Palestinian policemen and one Palestinian civilian and injuring many others, some critically. Israeli bulldozers flattened farmland as well as several Palestinian homes and buildings. The Israeli incursion and shelling caused many inhabitants in the area to flee their homes in fear.

This new crime, the occupying Power claims, came in response to an earlier attack committed by two Palestinians against an illegal Israeli settlement in the area, during which two settlers were killed. Israeli occupying forces, however, charged the house in which the attackers were, killing both of them. For its part, the Palestinian Authority issued an immediate statement condemning the attack, stating that it would arrest those responsible, and reaffirmed its commitment to the ceasefire. The Palestinian Authority did that in spite of its firm position regarding the illegality of Israeli settlements in the Occupied Palestinian Territory, including Jerusalem, and the criminal behaviour of the illegal settlers against the Palestinian people.

The above-mentioned Israeli crime once again indicates what we have mentioned in our previous letters to you since the conclusion of a ceasefire agreement between President Yasser Arafat and Foreign Minister Shimon Peres. In fact, the Israeli Government and Israeli occupying forces not only have not implemented their part of the agreement but have in actuality increased their oppressive measures against the Palestinian people, resulting in the killing of 27 Palestinians since the conclusion of that agreement. Israeli actions as well as statements made by Israeli officials all indicate the unwillingness of the Government to proceed with a ceasefire and the implementation of the Mitchell recommendations towards the resumption of negotiations on a final settlement.

01-56260 (E) 031001

I am writing this letter in follow-up to our previous 70 letters addressed to you regarding this grave and ongoing situation in the Occupied Palestinian Territory, including Jerusalem, dated from 29 September 2000 to 2 October 2001 (A/55/437-S/2000/930; A/55/450-S/2000/957; A/55/466-S/2000/971; A/55/474-S/2000/984; A/55/490-S/2000/993; A/ES-10/39-S/2000/1015; A/ES-10/40-S/2000/1025; A/ES-10/42-S/2000/1068; A/ES-10/43-S/2000/1078; A/ES-10/44-S/2000/1093; A/ES-10/45-S/2000/1104; A/ES-10/46-S/2000/1107; A/ES-10/47-S/2000/1116; A/ES-10/48-S/2000/1129; A/ES-10/49-S/2000/1154; A/ES-10/50-S/2000/1173; A/ES-10/51-S/2000/1185; A/ES-10/52-S/2000/1206; A/ES-10/53-S/2000/1247; A/ES-10/54-S/2001/7; A/ES-10/55-S/2001/33; A/ES-10/56-S/2001/50; A/ES-10/57-S/2001/101; A/ES-10/58-S/2001/131; A/ES-10/59-S/2001/156; A/ES-10/60-S/2001/175; A/ES-10/61-S/2001/189; A/ES-10/71-S/2001/314; A/ES-10/72-S/2001/332; A/ES-10/75-S/2001/352; A/ES-10/76-S/2001/372; A/ES-10/79-S/2001/418; A/ES-10/80-S/2001/432; A/ES-10/81-S/2001/447; A/ES-10/82-S/2001/463; A/ES-10/83-S/2001/471; A/ES-10/84-S/2001/479; A/ES-10/85-S/2001/486; A/ES-10/86-S/2001/496; A/ES-10/87-S/2001/504; A/ES-10/88-S/2001/508; A/ES-10/89-S/2001/544; A/ES-10/90-S/2001/586; A/ES-10/91-S/2001/605; A/ES-10/92-S/2001/629; A/ES-10/93-S/2001/657; A/ES-10/94-S/2001/669; A/ES-10/95-S/2001/686; A/ES-10/96-S/2001/697; A/ES-10/97-S/2001/708; A/ES-10/98-S/2001/717; A/ES-10/99-S/2001/742; A/ES-10/100-S/2001/754; A/ES-10/101-S/2001/783; A/ES-10/102-S/2001/785; A/ES-10/103-S/2001/798; A/ES-10/104-S/2001/812; A/ES-10/105-S/2001/814; A/ES-10/107-S/2001/821; A/ES-10/108-S/2001/826; A/ES-10/111-S/2001/880; A/ES-10/112-S/2001/918 and A/ES-10/114-S/2001/928). I regret to inform you that the above-mentioned killings of Palestinians by Israeli occupying forces yesterday raise the total number of Palestinians killed since 28 September 2000 to 667 (the names of the martyrs are contained in the annex).

I would be grateful if you would arrange to have the text of the present letter and its annex distributed as an official document of the tenth emergency special session of the General Assembly, under agenda item 5, and of the Security Council.

(*Signed*) Nasser **Al-Kidwa**
Ambassador
Permanent Observer of Palestine to the United Nations

Annex to the identical letters dated 3 October 2001 from the *Permanent Observer* Mission of Palestine to the United Nations addressed to the Secretary-General and the President of the Security Council

Names of martyrs killed by Israeli occupying forces in the Occupied Palestinian Territory, including Jerusalem*

Tuesday, 2 October 2001

1. Maher Idris Khodair
2. Nour Eldin Mohammed Quwedar
3. Mohammed Ibrahim Abu Hani
4. Wael Awaad
5. Mohammed Al-Shorafi
6. Salim Ziara

* The total number of Palestinian martyrs killed by Israeli occupying forces since 28 September 2000 is 667.

United Nations S/2001/933

Security Council

Distr.: General
4 October 2001

Original: English

Letter dated 3 October 2001 from the Permanent Representative of Angola to the United Nations addressed to the President of the Security Council

I have the honour to transmit the letter of Dr. João Bernardo de Miranda, Minister for External Relations of the Republic of Angola, dated 27 September 2001, and request that this letter be circulated as a document of the Security Council.

(*Signed*) Ismael A. **Gaspar Martins**
Ambassador
Permanent Representative

01-56403 (E) 041001

Annex to the letter dated 3 October 2001 from the Permanent Representative of Angola to the United Nations addressed to the President of the Security Council

27 September 2001

As the members of the Security Council are aware, the mandate of the mechanism established pursuant to Council resolution 1295 (2000) is due to expire on 19 October 2001. This body has undoubtedly played a crucial role in significantly reducing the wave of serious violations of Council resolutions that impose sanctions against the União Nacional para a Independência Total de Angola (UNITA)-armed wing.

The Angolan Government strongly believes that this role must continue, because sanctions have proved to be an important tool to curtail UNITA's ability to wage the war, and pursue its political goals by using violence.

On behalf of my Government, I would like to seize this opportunity to request the members of the Security Council to further extend the mandate of the mechanism, so that its main goals can be fully accomplished.

It goes without saying that peace in Angola can be achieved only within the framework of the Lusaka Protocol (S/1994/1441, annex). The international community should therefore continue to do its best to convince the UNITA-armed wing to resign from the path of war and embrace a peaceful solution to the conflict.

(*Signed*) João **Bernardo de Miranda**
Minister of External Relations of Angola

United Nations A/56/432–S/2001/934

General Assembly
Security Council

Distr.: General
3 October 2001

Original: English

General Assembly
Fifty-sixth session
Agenda item 43
The situation in Afghanistan and its implications for international peace and security

Security Council
Fifty-sixth year

Identical letters dated 3 October 2001 from the Secretary-General addressed to the President of the General Assembly and the President of the Security Council

In view of the grave humanitarian and political situation affecting Afghanistan and the surrounding region, it is my intention to reappoint Mr. Lakhdar Brahimi as my Special Representative for Afghanistan. It may be recalled that in 1999 I indicated that Mr. Brahimi's activities would be "frozen" until such time as circumstances changed to justify his renewed intervention (see A/54/536-S/1999/1145). I believe strongly that the time has come for him to resume his role.

I would want to entrust my Special Representative with overall authority for the humanitarian and political endeavours of the United Nations in Afghanistan. He will also initiate preparations for the development of plans for the rehabilitation of that shattered country. Mr. Brahimi will oversee the activities of, and will be supported by, the two existing pillars of the United Nations system specifically responsible for activities in Afghanistan: the United Nations Special Mission to Afghanistan and the Office for the Coordination of Humanitarian Assistance of the United Nations Secretariat.

My Special Representative will keep the members of the General Assembly and of the Security Council regularly informed of his ongoing activities.

Attached is a copy of Mr. Brahimi's terms of reference (see annex).

I would be grateful if you would bring this matter to the attention of the members of the General Assembly and of the Security Council.

(*Signed*) Kofi A. **Annan**

01-56315 (E) 031001

Annex

Special Representative for Afghanistan

Terms of reference

The mandate of the Special Representative encompasses political and humanitarian aspects. In this connection, he will have overarching authority over United Nations activities in Afghanistan and the region. While focusing initially on peacemaking efforts and humanitarian needs, he will also initiate preparations for the transition to the rehabilitation phase. He will oversee and provide guidance and direction to relevant United Nations programmes and offices in order to ensure overall coordination and coherence of action.

With regard to political activities, the Special Representative will work closely with the Department of Political Affairs of the United Nations Secretariat and the Personal Representative of the Secretary-General for Afghanistan and with the United Nations Special Mission to Afghanistan, which was established by the General Assembly in its resolution 48/208. He will manage peacemaking activities involving the warring parties and others concerned, with a view to facilitating the establishment of a fully representative multi-ethnic and broad-based government.

The humanitarian dimensions of the mandate of the Special Representative will be carried out in close consultation with the Emergency Relief Coordinator and the Regional Humanitarian Coordinator for the Afghan Crisis. He will oversee negotiations with all concerned parties for safe and unhindered humanitarian access to all populations in need, and will advocate for humanitarian space and the rights and protection of affected populations. The Special Representative will ensure that the humanitarian and human rights dimensions of the evolving situation are central to political and security discussions.

United Nations S/2001/935

Security Council

Distr.: General
4 October 2001

Original: English

Note by the President of the Security Council

Security Council Committee established pursuant to resolution 1373 (2001) — Threats to International Peace and Security Caused by Terrorist Acts

1. Pursuant to resolution 1373 (2001) of 28 September 2001 and after consultations among the members of the Council, it was agreed to elect the chairperson and vice-chairpersons of the Committee established by paragraph 6 of resolution 1373 (2001):

Chairman:

His Excellency Sir Jeremy Greenstock (United Kingdom of Great Britain and Northern Ireland)

Vice-Chairmen:

Ambassador Alfonso Valdivieso (Colombia)
Ambassador Jagdish Koonjul (Mauritius)
Ambassador Sergey Lavrov (Russian Federation)

2. Pursuant to paragraph 7 of resolution 1373 (2001), the Committee will submit a work programme by 28 October 2001, and consider the support it requires, in consultation with the Secretary-General.

3. Members of the Council will undertake a review of the structure and activities of the Committee not later than 4 April 2002.

01-56467 (E) 041001

United Nations S/2001/936

Security Council

Distr.: General
4 October 2001

Original: English

Letter dated 4 October 2001 from the President of the Security Council to the Secretary-General

In accordance with the provisions of Security Council resolution 689 (1991) and in the light of your report of 26 September 2001 (S/2001/913), the members of the Council have reviewed the question of the termination or continuation of the United Nations Iraq-Kuwait Observation Mission (UNIKOM) and its modalities of operation.

I have the honour to inform you that the members of the Security Council concur with your recommendation that UNIKOM be maintained. In accordance with Council resolution 689 (1991), they have decided to review the question once again by 6 April 2002.

(*Signed*) Richard **Ryan**
President of the Security Council

01-56532 (E) 041001

United Nations S/2001/937

Security Council

Distr.: General
4 October 2001

Original: English

Letter dated 4 October 2001 from the President of the Security Council to the Secretary-General

I have the honour to inform you that your letter dated 3 October 2001 (A/56/432-S/2001/934) concerning your intention to reappoint Mr. Lakhdar Brahimi as your Special Representative for Afghanistan has been brought to the attention of the members of the Security Council. They take note with appreciation of your intention and the terms of reference for your Special Representative (A/56/432-S/2001/934, annex).

(*Signed*) Richard **Ryan**
President of the Security Council

01-56539 (E) 041001